

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of White Lake	County Oakland
Audit Date April 20, 2005	Opinion Date April 20, 2005	Date Accountant Report Submitted to State: June 28, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

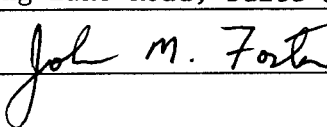
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Janz & Knight, P.L.C.			
Street Address 300 East Long Lake Road, Suite 360	City Bloomfield Hills	State MI	ZIP 48304-2377
Accountant Signature 		Date 6/28/05	

TOWNSHIP OF WHITE LAKE, MICHIGAN

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# JANZ & KNIGHT, P.L.C.

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## MEMBERS

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Members of the Board  
Township of White Lake, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Township of White Lake, Michigan, as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Township of White Lake, Michigan, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of White Lake, Michigan, as of December 31, 2004 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information as identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of White Lake, Michigan basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Very truly yours,

*Janz & Knight, P.C.*

Certified Public Accountants

Bloomfield Hills, Michigan

April 20, 2005

## TOWNSHIP OF WHITE LAKE, MICHIGAN

December 31, 2004

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Charter Township of White Lake's (the Township) management's discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Township's financial activity, identify changes in the Township's financial position (its ability to address the next and subsequent years' challenges), identify significant variances from the approved budget, and identify individual fund issues or concerns.

Using this Annual Report

The Township's annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than government-wide financial statements.

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Assets and Statement of Activities. They are designed to be corporate-like in that all governmental and business-type funds are consolidated into columns which add to a total for the primary government. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are also taken into account regardless of timing of cash being paid or received.

The Township as a Whole

Net Assets - The Township's combined net assets were \$31.0 million at the close of the year ended December 31, 2004. This represents an increase of \$2.1 million or a 7% increase from a year ago. As we look at governmental activities separately from the business-type activities, we can see that the governmental activities have seen an increase, of approximately \$1.2 million. A large portion of this increase is from a Fire Fund surplus of approximately \$809,000. This surplus is restricted for future equipment acquisitions in the Fire Fund. The business-type activity has experienced a \$0.9 million increase; primarily as a result of new connection and related charges paid by new customers.

The following table reflects the condensed Statement of Net Assets for the years ended December 31, 2004 and 2003:

Table 1  
Statement of Net Assets

	Governmental Activities 2004	Governmental Activities 2003	Business-Type Activity 2004	Business-Type Activity 2003	Total 2004	Total 2003
<b>ASSETS</b>						
Current and other assets	\$ 24,642,575	\$ 24,300,640	\$ 3,833,858	\$ 3,483,844	\$28,476,433	\$27,784,484
Capital assets	<u>19,721,897</u>	<u>18,835,573</u>	<u>3,543,410</u>	<u>3,136,731</u>	<u>23,265,307</u>	<u>21,972,304</u>
Total assets	<u>\$ 44,364,472</u>	<u>\$ 43,136,213</u>	<u>\$ 7,377,268</u>	<u>\$ 6,620,575</u>	<u>\$51,741,740</u>	<u>\$49,756,788</u>
<b>LIABILITIES AND NET ASSETS</b>						
Current and other liabilities	\$ 8,562,841	\$ 8,701,193	\$ 87,038	\$ 160,182	\$ 8,649,880	\$ 8,861,375
Long term debt outstanding	<u>11,640,455</u>	<u>11,497,800</u>	<u>455,000</u>	<u>505,000</u>	<u>12,095,455</u>	<u>12,002,800</u>
Total liabilities	\$ 20,203,296	\$ 20,198,993	\$ 542,038	\$ 665,182	\$20,745,335	\$20,864,175
Net assets:						
Invested in capital assets, net of related debt	\$ 7,201,442	\$ 6,512,773	\$ 3,038,410	\$ 2,581,731	\$10,239,852	\$ 9,094,504
Restricted	15,008,973	14,635,953	3,294,101	2,551,089	18,303,074	17,187,042
Unrestricted	<u>1,950,761</u>	<u>1,788,494</u>	<u>502,718</u>	<u>822,573</u>	<u>2,453,479</u>	<u>2,611,067</u>
Total net assets	<u>\$ 24,161,176</u>	<u>\$ 22,937,220</u>	<u>\$ 6,835,229</u>	<u>\$ 5,955,393</u>	<u>\$30,996,405</u>	<u>\$28,892,613</u>
Total liabilities and net assets	<u>\$ 44,364,472</u>	<u>\$ 43,136,213</u>	<u>\$ 7,377,268</u>	<u>\$ 6,620,575</u>	<u>\$51,741,740</u>	<u>\$49,756,788</u>

## TOWNSHIP OF WHITE LAKE, MICHIGAN

December 31, 2004

Unrestricted net assets are net assets that can be used to finance day to day operations. Restricted net assets of the Township totaled approximately \$18.3 million at December 31, 2004. These net assets have limitations on their use that were imposed by restrictions such as enabling legislation, grant or bond covenants. The investment in capital assets represents the Township's capital assets that provide services to citizens; accordingly, these assets are not available for future spending.

The following table shows the changes in net assets for the years ended December 31, 2004 and 2003:

Table 2  
Changes in Net Assets

	Governmental Activities 2004	Governmental Activities 2003	Business- Type Activity 2004	Business- Type Activity 2003	Total 2004	Total 2003
Program Revenue:						
Charges for services	\$ 3,794,754	\$ 2,869,883	\$ 628,828	\$ 616,412	\$ 4,421,580	\$ 3,286,295
Operating grants and contributions	303,763	222,337			303,763	222,337
Capital grants and contributions	40,572	5,793,763	928,350	1,563,236	968,922	7,356,999
General Revenue:						
Property taxes	5,173,719	4,945,865			5,173,719	4,945,865
State shares revenue	2,088,334	2,249,108			2,088,334	2,249,108
Unrestricted investment income	335,370	245,902	62,441	57,931	397,811	303,833
Franchise fees	233,095	412,358			233,095	412,358
Miscellaneous	224,953	452,007	3,279	3,872	228,232	455,679
Loss on sale of assets	(9,830)	(16,540)	350		(9,480)	(16,540)
Total revenues	\$ 12,184,730	\$ 16,974,683	\$ 1,621,246	\$ 2,241,251	\$13,805,976	\$19,215,934
Program Expenses:						
General government	2,164,849	1,877,603			2,164,849	1,877,603
Public safety	5,774,792	5,306,400			5,774,792	5,306,400
Public works	1,978,439	3,063,443			1,978,439	3,063,443
Health and welfare	87,739	90,934			87,739	90,934
Community and economic development	485,052	431,988			485,052	431,988
Recreation and culture	141,744	188,840			141,744	188,840
Interest on long term debt	328,159	260,891	29,528	93,809	357,687	354,700
Water			711,881	654,159	711,881	654,159
Total program expenses	\$ 10,980,774	\$ 11,220,099	\$ 741,409	\$ 747,968	\$11,702,183	\$11,988,067
Increase in net assets	\$ 1,223,956	\$ 5,754,584	\$ 879,836	\$ 1,493,283	\$ 2,103,793	\$ 7,247,867
Net assets - January 1, 2004	22,937,220	17,182,636	5,955,393	4,462,110	28,892,613	21,644,746
Net assets - December 31, 2004	\$ 24,161,176	\$ 22,937,220	\$ 6,835,229	\$ 5,955,393	\$30,996,406	\$28,892,613

As shown in the above table total revenues were approximately \$13.8 million for the year ended December 31, 2004. Of these revenues 37% was obtained from property taxes, 31% for fees charged for services, 15% for state shared revenues and 7% for capital contributions. Capital contributions consist primarily of special assessment revenue for the construction of sewers. Total expenses were approximately \$11.7 million, of which 49% was for public safety, 18% was for general government and 16% was for public works.

#### Business Type Activities

The Township's business-type activity consists of the Water Fund. At December 31, 2004 the Township was providing water to 1,525 customers. This is compared to 1,363 customers at December 31, 2003.

During the year, the Water Fund completed construction of a new water tower and water main extension (located near Bogie Lake Road and Highland Road). The total cost of this project was \$1,353,270.

TOWNSHIP OF WHITE LAKE, MICHIGAN

December 31, 2004

The Township Funds

The analysis of the Township's major funds begins on page 11, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2004 include the General Fund, Fire Fund, Police Fund, Improvement Revolving Fund, Special Assessment Fund, Sewer Debt Fund, Pontiac Lake Sewer Debt Fund, and the Pontiac Lake Sewer Construction Fund.

The General Fund is the main operating fund of the Township. Total revenues for the year were approximately \$4,916,000. Of this revenue, state-shared revenue accounted for 44% and property taxes 20% of the total revenue. Total expenditures for the year were approximately \$4,745,000. This included operating transfers of approximately \$1,196,000 to the Fire and Police Funds (to subsidize operating short-falls in those funds). At December 31, 2004 the unreserved fund balance of \$1,950,761 represented 41% of the total General Fund expenditures for the year.

The Fire Fund is used to account for fire services to Township residents. Total revenues for the year were approximately \$2,363,000. Of this revenue, property taxes accounted for 68% and General Fund transfers in accounted for 31% of the total revenues. Total expenditures for the year were approximately \$1,554,000. Of this amount 73% related to employee costs. The fund balance of \$3,680,252 is reserved for future equipment acquisitions.

The Police Fund is used to account for police services to Township residents. Total revenues for the year were approximately \$3,370,000. Of this revenue, property taxes accounted for 77% and General Fund transfers in accounted for 14% of the total revenue. Total expenditures for the year were approximately \$3,373,000. Of this amount 84% related to employee costs. The fund balance of \$37,173 is reserved for future equipment acquisitions.

The Improvement Revolving Fund is used to account for money advanced for future capital and emergency needs of the Township. The fund balance of this fund at year end was approximately \$3,259,000.

The Special Assessment Fund is used to account for the solid waste and various other special assessments (lake quality, etc.) of the Township. Total revenues for the year were approximately \$1,662,000 and were primarily earned through assessments to those residents benefiting from the services being provided. The fund balance of \$516,730 is restricted for various special assessment services.

The Sewer Debt Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the construction of Township sewers. The total revenue for the year was approximately \$1,115,000 and was primarily earned through special assessment charges. Expenditures for the year were approximately \$645,000 and consisted of principal and interest charges on related debt. The fund balance of \$2,525,210 is restricted for future debt related expenditures. At December 31, 2004 the outstanding principal on the sewer debt was \$7,525,000.

The Pontiac Lake Sewer Debt Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the construction of the Pontiac Lake Sewers. The total revenue for the year was approximately \$995,000 and was primarily earned through special assessment charges. Expenditures for the year were approximately \$362,000 and consisted of principal and interest charges on related debt. The fund balance of \$1,694,947 is restricted for future debt related expenditures. At December 31, 2004 the outstanding principal on the Pontiac Lake sewer debt was \$4,705,455.

The Pontiac Lake Sewer Construction Fund is used to account for Pontiac Lake sewer construction. Construction on the sewer system began in 2003 and is expected to be completed in 2005. The total project cost is expected to be approximately \$5,900,000. The construction is expected to be financed through bond proceeds and user charges. The total revenue for the year was approximately \$1,088,000. Included in this amount was bond proceeds of approximately \$1,023,000 and special assessments of approximately \$64,000. Construction and related costs on this project through December 31, 2004 were approximately \$5,826,000.

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the budget to take into account events during the year. Building and related permit revenues were amended to reflect the increased building activity of the Township. Miscellaneous revenue and refunds was amended to reflect additional revenue.

The Clerk Department budget was amended to reflect additional payroll costs. Building Department budget for payroll and professional fees was amended to reflect the increased building activity of the Township. Capital Outlay - Township buildings was amended in anticipation of capital additions. Operating transfers in was amended to help fund certain capital additions.

Township departments overall stayed below budget, resulting in total expenditures \$170,396 below budget. This allowed the General Fund's fund balance to increase from \$1,832,573 a year ago to \$2,002,969 at December 31, 2004.

TOWNSHIP OF WHITE LAKE, MICHIGAN

December 31, 2004

Capital Asset and Debt Administration

Capital Assets

At the end of 2004, the Township had \$23,265,307 invested in a broad range of capital assets (net of accumulated depreciation), including buildings, police and fire equipment, and water and sewer lines. In addition, the Township has invested significantly in roads and related infrastructure within the Township. These assets are not reported in the Township's financial statements because of Michigan law, which makes these roads the property of the Oakland County Road Commission (along with the responsibility to maintain them).

During the year, the Township issued \$1,022,655 in general obligations bonds for the construction of the Pontiac Lake sewers. Total construction costs are expected to be approximately \$4,400,000. Construction costs incurred on this project in 2004 were \$1,225,518. Total construction costs incurred on this project through December 31, 2004 were \$4,316,880.

During the year 2003, the Township's Water Fund began construction of a new water tower and water main extension. The estimated cost of this project was \$1,480,000. Construction was completed in 2004 on this project at a total cost of \$1,353,270. Construction costs incurred on this project in 2004 were \$474,746.

Other major expenditures for capital assets during the year included the following:

1. Purchase of land and building (7515 Highland) totaling \$188,565;
2. Fire department thermal imaging cameras totaling \$25,641;
4. Vehicles totaling \$158,884.

Long-Term Debt

The Township's total indebtedness as of December 31, 2004 is \$12,520,455, which is below the debt limitation of \$115,985,441. Of this amount \$11,420,455 are general obligation bonds. During 2002 bonds totaling \$4,130,000 were sold through the Michigan Municipal Bond Authority for the construction of the Pontiac Lake Sewers. As of December 31, 2004 \$4,065,455 of these proceeds have been distributed to the Township. Construction is expected to be completed in 2005.

The Township maintains a "BBB" rating from Standard & Poor's. Additional information on Township long-term debt can be found in Note G.

Economic Factors and Next Year's Budgets and Rates

Revenues:

State shared revenues are expected to slightly increase compared to 2004 but still below historical levels.

Cable TV and interest income is expected to be lower than 2004.

Building department revenue is expected to be consistent with 2004 levels.

Operating transfers in are expected to be lower.

Property tax rates for 2005 were reduced by approximately 1.4% to reflect "Headlee" limitations.

Expenditures:

Supervisor Department was increased to reflect the addition of a financial officer and related costs.

Election and related costs were reduced because of no national election in 2005.

Capital outlay was reduced to reflect lower capital activity.

Building Department was increased to reflect additional personnel and related costs.

General Fund operating transfers to the Fire Fund were reduced in anticipation of lower funding requirements.

Fire Fund budget was increased to reflect additional personnel and related costs.

The 2005 General Fund budget expects a deficit of approximately \$468,000. Accordingly, the Township is planning on using some of the prior years accumulated reserves. The projected General Fund's fund balance at December 31, 2005 is approximately \$1,535,000 which represents approximately 31% of the General Fund expenditures for the year. The Township has available approximately \$3,259,000 in the Improvement Revolving Fund to offset this deficit, as determined needed.



TOWNSHIP OF WHITE LAKE, MICHIGAN

December 31, 2004

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Request for Information

This financial report is intended to provide citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions or concerns about this report or need additional information, contact the Clerk's Office, at the Township of White Lake, 7525 Highland Road, White Lake, Michigan, 48383.

JANZ & KNIGHT, P.L.C. - CERTIFIED PUBLIC ACCOUNTANTS

## TOWNSHIP OF WHITE LAKE, MICHIGAN

## STATEMENT OF NET ASSETS

DECEMBER 31, 2004

	Governmental Activities	Business-type Activity	Total
<b>ASSETS</b>			
Cash and cash equivalents . . . . .	\$ 13,497,740	\$ 224,993	\$ 13,722,734
Receivables:			
Taxes . . . . .	2,544,286	8,562	2,552,848
Customers . . . . .		140,609	140,609
Interest . . . . .	99,314	17,100	116,414
Special assessments . . . . .	3,689,401	286,660	3,976,061
Connection fees . . . . .	239,383		239,383
Agency funds . . . . .	4,234,927		4,234,927
Other . . . . .	77,980		77,980
Due from other governments . . . . .	84,205		84,205
Internal balances . . . . .	138,168	(138,168)	
Restricted assets - cash and cash equivalents . . . . .	37,171	3,294,101	3,331,272
Capital assets, net . . . . .	19,721,897	3,543,410	23,265,307
<b>Total assets . . . . .</b>	<b>\$ 44,364,472</b>	<b>\$ 7,377,268</b>	<b>\$ 51,741,740</b>
<b>LIABILITIES AND NET ASSETS</b>			
Liabilities:			
Accounts payable and other liabilities . . . . .	\$ 523,304	\$ 28,340	\$ 551,643
Accrued wages . . . . .	53,436	1,799	55,235
Accrued interest . . . . .	77,000	6,900	83,900
Deferred revenue . . . . .	6,958,401		6,958,401
Compensated absences . . . . .	70,700		70,700
Noncurrent liabilities:			
Due within one year . . . . .	880,000	50,000	930,000
Due in more than one year . . . . .	11,640,455	455,000	12,095,455
<b>Total liabilities . . . . .</b>	<b>\$ 20,203,296</b>	<b>\$ 542,038</b>	<b>\$ 20,745,335</b>
Net assets:			
Invested in capital assets, net of related debt . . . . .	7,201,442	3,038,410	10,239,852
Restricted for:			
Debt service . . . . .	7,232,111		7,232,111
Capital projects . . . . .	30,196		30,196
Police and fire equipment . . . . .	3,717,425		3,717,425
Other . . . . .	4,029,241	3,294,101	7,323,342
Unrestricted . . . . .	1,950,761	502,718	2,453,479
<b>Total net assets . . . . .</b>	<b>\$ 24,161,176</b>	<b>\$ 6,835,229</b>	<b>\$ 30,996,405</b>
<b>Total liabilities and net assets . . . . .</b>	<b>\$ 44,364,472</b>	<b>\$ 7,377,268</b>	<b>\$ 51,741,740</b>

The attached notes are an integral part of the financial statements.

## TOWNSHIP OF WHITE LAKE, MICHIGAN

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2004

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities:				
General government . . . . .	\$ 2,164,849	\$ 191,593	\$ 136,426	\$
Public safety . . . . .	5,774,792	1,115,529	53,521	
Public works . . . . .	1,978,439	2,439,672	15,555	
Health and welfare . . . . .	87,739	8,000	89,461	
Community and economic development . . . . .	485,052	25,676		
Recreation and culture . . . . .	141,744	14,284	8,800	40,572
Interest on long term debt . . . . .	328,159			
<b>Total governmental activities . . . . .</b>	<b>\$ 10,960,774</b>	<b>\$ 3,794,754</b>	<b>\$ 303,763</b>	<b>\$ 40,572</b>
Business-type activity:				
Water . . . . .	\$ 741,409	\$ 626,826	\$	\$ 928,350
<b>Total primary government . . . . .</b>	<b>\$ 11,702,183</b>	<b>\$ 4,421,580</b>	<b>\$ 303,763</b>	<b>\$ 968,922</b>

## General revenues:

Property taxes . . . . .	
State shared revenues . . . . .	
Unrestricted investment income . . . . .	
Franchise fees . . . . .	
Miscellaneous . . . . .	
Special item - sale of fixed assets . . . . .	

Total general revenues and special items . . . . .

Changes in net assets . . . . .

Net assets - January 1, 2004 . . . . .

Net assets - December 31, 2004 . . . . .

The attached notes are an integral part of the financial statements.

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activity	Total
\$ (1,836,830)	\$	\$ (1,836,830)
(4,605,742)		(4,605,742)
476,788		476,788
9,722		9,722
(459,376)		(459,376)
(78,088)		(78,088)
(328,159)		(328,159)
<u>\$ (6,821,685)</u>	<u>\$</u>	<u>\$ (6,821,685)</u>
 <u>\$</u>	 813,766	 <u>\$ 813,766</u>
<u>\$ (6,821,685)</u>	<u>\$ 813,766</u>	<u>\$ (6,007,918)</u>
 5,173,719		5,173,719
2,088,334		2,088,334
335,370	62,441	397,811
233,095		233,095
224,953	3,279	228,232
(9,830)	350	(9,480)
<u>\$ 8,045,641</u>	<u>\$ 66,070</u>	<u>\$ 8,111,711</u>
 \$ 1,223,956	 \$ 879,836	 \$ 2,103,793
<u>22,937,220</u>	<u>5,955,393</u>	<u>28,892,613</u>
<u><u>\$ 24,161,176</u></u>	<u><u>\$ 6,835,229</u></u>	<u><u>\$ 30,996,406</u></u>

The attached notes are an integral part of the financial statements.

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BALANCE SHEET  
GOVERNMENTAL FUNDS

DECEMBER 31, 2004

	General	Fire Fund	Police Fund	Improvement Revolving Fund
<b>ASSETS</b>				
Cash and cash equivalents . . . . .	\$ 1,454,187	\$ 3,726,921	\$ 69,580	\$ 3,255,694
Receivables:				
Taxes . . . . .	485,413	787,865	1,271,008	
Interest . . . . .				3,550
Special assessments . . . . .				
Connection fees . . . . .				
Other . . . . .	60,632	9,427	7,921	
Due from other funds . . . . .	1,167,994	912,036	1,482,113	
Due from other governments . . . . .	35,932		10,046	
Restricted assets - cash and cash equivalents . . . . .			37,171	
Total assets . . . . .	<u>\$ 3,204,159</u>	<u>\$ 5,436,249</u>	<u>\$ 2,877,840</u>	<u>\$ 3,259,244</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and other liabilities . . . . .	\$ 78,696	\$ 46,660	\$ 67,233	\$
Accrued salaries and wages . . . . .	12,941	9,436	31,060	
Deferred revenue . . . . .	1,058,105	1,699,901	2,742,374	
Due to other funds . . . . .	51,448			
Total liabilities . . . . .	<u>\$ 1,201,189</u>	<u>\$ 1,755,998</u>	<u>\$ 2,840,667</u>	<u>\$</u>
Fund balances:				
Reserved for:				
Debt service . . . . .				
Other . . . . .	52,208	3,680,252	37,173	
Unreserved, reported in:				
General Fund . . . . .	1,950,761			
Special Revenue Funds . . . . .				3,259,244
Capital Project Funds . . . . .				
Total fund balances . . . . .	<u>\$ 2,002,969</u>	<u>\$ 3,680,252</u>	<u>\$ 37,173</u>	<u>\$ 3,259,244</u>
Total liabilities and fund balances . . . . .	<u>\$ 3,204,159</u>	<u>\$ 5,436,249</u>	<u>\$ 2,877,840</u>	<u>\$ 3,259,244</u>

The attached notes are an integral part of the financial statements.

Special Assessment Fund	Sewer Debt Fund	Pontiac Lake Sewer Debt Fund	Pontiac Lake Sewer Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 699,066	\$ 2,697,494	\$ 1,193,508	\$ 158,357	\$ 242,933	\$ 13,497,740
3,300	9,064	83,400			2,544,286
631,905		3,052,968		4,528	99,314
	239,383				3,689,401
					239,383
875,812	62,629	365,783	21,000	28,102	77,980
				38,227	4,915,469
					84,205
					37,171
<u>\$ 2,210,082</u>	<u>\$ 3,008,569</u>	<u>\$ 4,695,659</u>	<u>\$ 179,357</u>	<u>\$ 313,790</u>	<u>\$ 25,184,949</u>
\$ 104,470	\$ 114,700	\$	\$ 111,543	\$	\$ 523,304
1,492,827	88,853	2,995,982			53,436
96,055	279,807	4,730	67,166	43,169	10,078,042
\$ 1,693,352	\$ 483,360	\$ 3,000,712	\$ 178,709	\$ 43,169	542,375
	2,525,210	1,694,947		4,119	4,224,275
					3,769,633
516,730					1,950,761
			648	236,954	4,012,928
				29,548	30,196
<u>\$ 516,730</u>	<u>\$ 2,525,210</u>	<u>\$ 1,694,947</u>	<u>\$ 648</u>	<u>\$ 270,621</u>	<u>\$ 13,987,794</u>
<u>\$ 2,210,082</u>	<u>\$ 3,008,569</u>	<u>\$ 4,695,659</u>	<u>\$ 179,357</u>	<u>\$ 313,790</u>	<u>\$ 25,184,949</u>

The attached notes are an integral part of the financial statements.

TOWNSHIP OF WHITE LAKE, MICHIGAN

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

DECEMBER 31, 2004

Total governmental fund balances. . . . . \$ 13,987,794

Amounts reported for governmental activities in the  
statement of net assets are different because:

Capital assets used in governmental activities are not financial  
resources, and are not reported in the governmental funds:

Governmental capital assets . . . . .	\$ 23,412,056	
Less accumulated depreciation . . . . .	<u>(3,690,161)</u>	19,721,895

Special assessments are expected to be collected over several years, and are not available to pay for current year expenditures. . . . .		3,119,642
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Long-term liabilities, including compensated absences, are not due and payable in the current period and are not reported in the funds including related accrued interest. . . . .		<u>(12,668,155)</u>
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Net assets of governmental activities . . . . .		<u>\$ 24,161,176</u>
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JANZ & KNIGHT, P.L.L.C. - CERTIFIED PUBLIC ACCOUNTANTS

The attached notes are an integral part of the financial statements.

## TOWNSHIP OF WHITE LAKE, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2004

	General	Fire Fund	Police Fund	Improvement Revolving Fund
<b>Revenues:</b>				
Taxes . . . . .	\$ 973,169	\$ 1,607,455	\$ 2,593,094	\$
Licenses and permits . . . . .	1,110,151			
Federal sources . . . . .	8,800	7,444	8,503	
State sources . . . . .	2,184,078		17,297	
Charges for services . . . . .	201,485		25,057	
Fines and forfeitures . . . . .	600		117,005	
Interest and rents . . . . .	114,426	3,348	5,776	39,151
Other . . . . .	134,434	19,542	132,330	
<b>Total revenues . . . . .</b>	<b>\$ 4,727,143</b>	<b>\$ 1,637,789</b>	<b>\$ 2,899,062</b>	<b>\$ 39,151</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government . . . . .	1,908,053			1,974
Public safety . . . . .	562,441	1,489,038	3,265,810	
Public works . . . . .	127,655			
Health and welfare . . . . .	76,059			
Community and economic development . . . . .	471,172			
Recreation and culture . . . . .	106,503			
Other . . . . .	30,845			
Capital outlay . . . . .	266,911	64,665	107,065	
<b>Debt service:</b>				
Principal payments . . . . .				
Interest and fiscal charges . . . . .				
<b>Total expenditures . . . . .</b>	<b>\$ 3,549,640</b>	<b>\$ 1,553,703</b>	<b>\$ 3,372,874</b>	<b>\$ 1,974</b>
<b>Excess of revenues over (under) expenditures . . . . .</b>	<b>\$ 1,177,503</b>	<b>\$ 84,086</b>	<b>\$ (473,813)</b>	<b>\$ 37,177</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of bonds . . . . .				
Operating transfers in . . . . .	188,565	725,163	470,508	
Operating transfers out . . . . .	(1,195,671)			(188,565)
<b>Total other financing sources (uses) . . . . .</b>	<b>\$ (1,007,107)</b>	<b>\$ 725,163</b>	<b>\$ 470,508</b>	<b>\$ (188,565)</b>
<b>Excess of revenues and other sources over (under) expenditures and other uses . . . . .</b>	<b>\$ 170,396</b>	<b>\$ 809,249</b>	<b>\$ (3,304)</b>	<b>\$ (151,387)</b>
<b>Fund balance - January 1, 2004 . . . . .</b>	<b>1,832,573</b>	<b>2,871,003</b>	<b>40,477</b>	<b>3,410,631</b>
<b>Fund balance - December 31, 2004 . . . . .</b>	<b>\$ 2,002,969</b>	<b>\$ 3,680,252</b>	<b>\$ 37,173</b>	<b>\$ 3,259,244</b>

The attached notes are an integral part of the financial statements.



Special Assessment Fund	Sewer Debt Fund	Pontiac Lake Sewer Debt Fund	Pontiac Lake Sewer Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
\$	\$	\$	\$	\$	\$ 5,173,719
				185,420	1,110,151
	635,897	31,388		205,476	210,167
16,642	37,275	137,468	1,307	5,304	2,201,375
1,645,600	441,421	826,273	63,772	2,542	1,099,302
				61,630	122,909
\$ 1,662,243	\$ 1,114,593	\$ 995,129	\$ 65,079	\$ 460,372	357,935
					3,325,002
					\$ 13,600,559
				116,286	2,026,313
1,621,532			8,095	20,248	5,337,538
				32,429	1,789,711
				9,272	85,331
					471,172
					106,503
			1,225,518	40,572	30,845
					1,704,730
	450,000	250,000		125,000	825,000
	195,378	111,794		17,988	325,159
\$ 1,621,532	\$ 645,378	\$ 361,794	\$ 1,233,613	\$ 361,794	\$ 12,702,302
\$ 40,711	\$ 469,215	\$ 633,335	\$ (1,168,535)	\$ 98,577	\$ 898,258
			1,022,655		1,022,655
					1,384,236
					(1,384,236)
\$	\$	\$	\$ 1,022,655	\$	\$ 1,022,655
\$ 40,711	\$ 469,215	\$ 633,335	\$ (145,880)	\$ 98,577	\$ 1,920,912
476,019	2,055,995	1,061,612	146,528	172,044	12,066,882
\$ 516,730	\$ 2,525,210	\$ 1,694,947	\$ 648	\$ 270,621	\$ 13,987,794

The attached notes are an integral part of the financial statements.

TOWNSHIP OF WHITE LAKE, MICHIGAN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2004

Net change in fund balances - total governmental fund . . . . .		\$ 1,920,912
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Expenditures for capital assets . . . . .	\$ 1,618,304	
Less current year depreciation . . . . .	(695,076)	923,228
Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not reported in the funds until collected or collectible within 60 days of year end . . . . .		(1,378,924)
Bond issuance is not reported as financing sources on the statement of activities . . . . .		(1,022,655)
Accrued interest is recorded in the statement of activities . . . . .		(3,000)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) . . . . .		825,000
Increase in accumulated employee sick pay are recorded when earned in the statement of activities . . . . .		(3,700)
Governmental funds report proceeds from sale; in the statement of activities, only the respective gain or loss is recognized . . . . .		(36,905)
Change in net assets of governmental activities . . . . .		<u>\$ 1,223,956</u>

The attached notes are an integral part of the financial statements.

TOWNSHIP OF WHITE LAKE, MICHIGAN  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

DECEMBER 31, 2004

	Business-type Activity Water Fund
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents . . . . .	\$ 224,993
Receivables:	
Taxes . . . . .	8,562
Customers . . . . .	140,609
Special assessments . . . . .	28,666
Interest . . . . .	17,100
Due from other funds . . . . .	9,103
Total current assets . . . . .	<u>\$ 429,033</u>
Noncurrent assets:	
Restricted assets - cash and cash equivalents . . . . .	3,294,101
Receivable - special assessment . . . . .	257,994
Capital assets, net . . . . .	3,543,410
Total noncurrent assets . . . . .	<u>\$ 7,095,506</u>
Total assets . . . . .	<u><u>\$ 7,524,539</u></u>

<b>LIABILITIES AND NET ASSETS</b>	
Current liabilities:	
Accounts payable and other liabilities . . . . .	\$ 28,340
Accrued wages . . . . .	1,799
Accrued interest . . . . .	6,900
Due to other funds . . . . .	147,271
Current portion of long term debt . . . . .	50,000
Total current liabilities . . . . .	<u>\$ 234,310</u>
Noncurrent liabilities:	
Bond payable . . . . .	455,000
Total liabilities . . . . .	<u>\$ 689,310</u>
Net assets:	
Invested in capital assets, net of related debt . . . . .	3,038,410
Restricted for:	
Other purposes . . . . .	3,294,101
Unrestricted . . . . .	502,718
Total net assets . . . . .	<u>\$ 6,835,229</u>
Total liabilities and net assets . . . . .	<u><u>\$ 7,524,539</u></u>

The attached notes are an integral part of the financial statements.

## TOWNSHIP OF WHITE LAKE, MICHIGAN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

DECEMBER 31, 2004

	Business-type Activity
	Water Fund
Operating revenue:	
Water sales . . . . .	\$ 547,632
Meters . . . . .	57,465
Penalties . . . . .	5,799
Miscellaneous . . . . .	15,930
Total operating revenue . . . . .	\$ 626,826
Operating expenses:	
Salaries . . . . .	218,696
Social security . . . . .	16,721
Employee insurance . . . . .	65,091
Pension . . . . .	20,147
Office supplies and expenses . . . . .	1,907
Operating supplies . . . . .	53,240
Chemicals . . . . .	23,004
Water testing . . . . .	2,454
Professional fees . . . . .	12,797
Communications . . . . .	2,566
Transportation expense and repairs . . . . .	5,955
General insurance . . . . .	34,506
Utilities . . . . .	41,065
Repairs and maintenance . . . . .	89,637
Dues and subscriptions . . . . .	705
Training . . . . .	1,406
Miscellaneous . . . . .	5,713
Depreciation and amortization . . . . .	116,272
Total operating expenses . . . . .	\$ 711,882
Operating income (loss) . . . . .	\$ (85,056)
Nonoperating revenues (expenses):	
Privilege fees . . . . .	232,200
Capital surcharges . . . . .	696,150
Interest income . . . . .	62,441
Sale of assets . . . . .	350
Miscellaneous income . . . . .	3,279
Interest expense . . . . .	(29,528)
Total nonoperating revenues (expenses) . . . . .	\$ 964,892
Change in net assets . . . . .	\$ 879,836
Net assets - January 1, 2004 . . . . .	5,955,393
Net assets - December 31, 2004 . . . . .	\$ 6,835,229

The attached notes are an integral part of the financial statements.

TOWNSHIP OF WHITE LAKE, MICHIGAN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

DECEMBER 31, 2004

	Business-type Activity Water Fund
Cash flows from operating activities:	
Receipts from customers . . . . .	\$ 951,000
Payments to suppliers . . . . .	(346,066)
Payments to employees . . . . .	(218,657)
Net cash provided (used) by operating activities. . . . .	\$ 386,277
Cash flows from capital and related financing activities:	
Purchase of capital assets. . . . .	(522,952)
Principal paid on capital debt. . . . .	(50,000)
Interest paid on capital debt . . . . .	(29,528)
Privilege fees. . . . .	232,200
Capital surcharges. . . . .	696,150
Sale of assets. . . . .	350
Miscellaneous income. . . . .	3,279
Net cash provided (used) by capital and related financing activities. . . . .	\$ 329,499
Cash flows from investing activities:	
Interest income . . . . .	62,441
Net increase (decrease) in cash and cash equivalents. . . . .	\$ 778,217
Cash and cash equivalents - January 1, 2004 . . . . .	2,740,877
Cash and cash equivalents - December 31, 2004 . . . . .	\$ 3,519,094
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss) . . . . .	\$ (85,056)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation and amortization . . . . .	116,272
Changes in assets and liabilities:	
(Increase) decrease in receivables. . . . .	324,174
(Increase) decrease in due from other funds . . . . .	1,188
Increase (decrease) in accounts payable and other liabilities . . . . .	(72,482)
Increase (decrease) in accrued wages. . . . .	39
Increase (decrease) in accrued interest . . . . .	(700)
Increase (decrease) in due to other funds . . . . .	102,842
Net cash provided (used) by operating activities. . . . .	\$ 386,277

The attached notes are an integral part of the financial statements.

TOWNSHIP OF WHITE LAKE, MICHIGAN  
STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS

DECEMBER 31, 2004

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents . . . . .	\$ 7,471,774
Total assets . . . . .	<u>\$ 7,471,774</u>
<b>LIABILITIES</b>	
Accounts payable and other liabilities . . . . .	\$ 1,050,817
Due to other funds . . . . .	4,234,927
Due to other governments . . . . .	2,061,663
Due to others . . . . .	<u>124,367</u>
Total liabilities . . . . .	<u>\$ 7,471,774</u>

JUNE & KNIGHT, P.C., CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF WHITE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE A - Summary of Significant Accounting Policies

The accounting policies of the Township of White Lake conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township of White Lake.

Reporting Entity

The Township of White Lake is governed by an elected seven-member Board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

Blended Component Units

A blended component unit is a legally separate entity from the Township of White Lake, but is so intertwined with the unit that it is, in substance, the same as the Township of White Lake. It is reported as part of the Township of White Lake and blended into the appropriate fund types and account groups.

Building Authority - The Township of White Lake Building Authority is governed by a board appointed by the Township of White Lake's township board. Although it is legally separate from the Township of White Lake, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township of White Lake's public buildings.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual--that is, when they become both measurable and available to finance expenditures of the period. Property taxes, state-shared revenue, interest, reimbursement grants, and charges for services are considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE A - Summary of Significant Accounting Policies (continued)

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Governmental Funds:

The Township reports the following major governmental funds:

General Fund

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be account for in another fund.

Fire Fund

The Fire Fund is a special revenue fund used to account for fire protection within the Township.

Police Fund

The Police Fund is a special revenue fund used to account for police protection within the Township.

Improvement Revolving Fund

The Improvement Revolving Fund is a special revenue fund used to account for money advanced from the General Fund in accordance with statutory provisions.

Special Assessment Fund

The Special Assessment Fund is a special revenue fund used to account for the collection and disposal of Township solid waste and various special assessments collected on behalf of others.

Sewer Debt Fund

The Sewer Debt Fund is a debt service fund used to account for accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the construction of Township sewers.

Pontiac Lake Sewer Debt Fund

The Pontiac Lake Sewer Debt Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the construction of sewers for those residents of the Pontiac Lake assessment.

Pontiac Lake Sewer Construction Fund

The Pontiac Lake Construction Fund is a capital project fund used to account for financial resources such as proceeds of bond issues and other revenue necessary for the purpose of constructing Pontiac Lake sewers.



TOWNSHIP OF WHITE LAKE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE A - Summary of Significant Accounting Policies (continued)

Additionally, the Township reports the following fund types:

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust funds).

Proprietary Fund

The Township reports the following major proprietary fund:

Water Fund

The Water Fund accounts for the operation, maintenance and distribution of the water system.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water Fund relates to charges to customers for sales and services. The water fund also recognized the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Fiduciary Funds

Agency Funds

Agency Funds are used to account for assets held by the Township as an agent for individuals, private organizations, other governments and/or other funds. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Property Taxes

The Township of White Lake property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Township of White Lake as of the preceding December 31st.

The Township is a Charter Township with a calendar year (December 31) fiscal period. Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These property taxes are billed on December 1 of the following year. Property taxes are billed on December 1 and are recognized as revenues for the subsequent year beginning January 1. These taxes are due on February 14 with the final collection date of February 28. Delinquent real property taxes are purchased by Oakland County from the Township, and accordingly are recognized as revenue in the current year. Delinquent personal property taxes are not recorded as taxes receivable, revenues are recognized when received.

The 2004 taxable valuation of the Township of White Lake total \$1,009,952,377, on which ad valorem taxes levied consisted of 1.0161 mills for the Township of White Lake operation purposes, 1.68315 mills for fire, 2.71535 mills for police, raising \$1,026,213 for operating, \$1,699,901 for fire, and \$2,742,374 for police. These amounts are recognized in the respective General and Special Revenue Fund financial statements as taxes receivable.

TOWNSHIP OF WHITE LAKE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE A - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity

Cash and Investments

Deposits are carried at cost and consist of cash on hand, checking accounts, and investments in short-term investments, generally pooled investment funds. The carrying value of deposits, which includes certificates of deposit with an original maturity of three months or less, is separately displayed on the balance sheet as "cash and cash equivalents".

For purposes of the Statement of Cash Flows, the Township considered cash deposits and certificates of deposits with a maturity of three months or less when purchased to be cash equivalents.

Interfund Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds" on the balance sheet. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Receivables

All trade and property tax receivables are considered fully collectible by the Township. No provision has been made in the financial statements for noncollection. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Certain revenues of the enterprise funds require amounts to be set aside for debt service principal and interest, operations and maintenance, and improvements and replacement of the water system. According to grant provisions of the Police Fund the amount received is to be set aside for police equipment. These amounts have been classified as restricted assets.

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, machinery, equipment and infrastructure are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of year than most capital assets.

Capital assets that are being depreciated are reported net of accumulated depreciation in the statement of net assets. Capital assets that are not being depreciated, such as land, are reported separately.

Capital assets are depreciated over their estimated useful lives. Depreciation expense is reported in the statement of activities by allocating the net cost over the estimated useful life of the assets. Assets are depreciated on an individual basis for equipment and buildings.

Depreciation of all exhaustible fixed assets used by propriety fund types is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund type balance sheets. Depreciation has been provided over the estimated useful lives.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Water System	50
Buildings and Improvements	5-50
Vehicles	5-12
Furniture and Equipment	5-20
(Police, Fire, Office)	
Sewer System	50

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE A - Summary of Significant Accounting Policies (continued)Compensated Absences (Sick Leave)

Sick pay earned is recognized in the governmental financial statements when they are paid. The long-term portion of compensated absences related to governmental funds is a liability recorded in the Statement of Net Assets.

Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and net of any deferred charges on bond refundings. Issuance costs are reported as deferred charges.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance present tentative management plans that are subject to change.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE B - Expenditures Over BudgetBudgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General and Special Revenue Funds. All annual appropriations lapse at year end. The Township's appropriation resolution is generally passed during the November preceding the year in which the planned expenditures relate. Subsequent amendments are made to avoid unfavorable variances from the original budget. Related resolutions are made to state the purpose and amount of the changes. The Township Supervisor has the responsibility to enforce the budget. Unused appropriations do not carry forward to the next year.

The budget document presents information by fund, function, department and line items. The legal level (the level at which expenditures may not legally exceed appropriations) of budgetary control adopted by the board is at the department (activity) level.

The Township board must approve budget amendments at the activity level and supplemental appropriations, which affect total fund expenditures. The Supervisor can transfer appropriations between line items within a department or activity without governing body approval.

Supplemental appropriations were necessary during the year, which increased total expenditures.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

P.A. 2 of 1968 as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body.

## TOWNSHIP OF WHITE LAKE, MICHIGAN

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE B - Expenditures Over Budget (continued)Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Township of White Lake incurred expenditures in certain budgeted funds which were significantly in excess of the amounts appropriated, as follows:

<u>Fund</u>	<u>Activity</u>	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>	<u>Budget Variance</u>
General	Conservation services	\$ 60,000	\$ 87,809	\$ 27,809
Fire	Salaries	804,073	810,367	6,294
Fire	Social Security	47,359	62,227	14,868
Fire	Pension	80,219	85,356	5,137
Fire	Vehicle maintenance	76,600	101,480	24,880
Fire	Training	15,000	21,224	6,224
Police	Salaries	2,019,190	2,077,127	57,937
Police	Social Security	153,321	173,446	20,125
Police	Professional fees	72,500	127,798	55,298
Improvement Revolving	Operating transfers out		188,565	188,565
Special Assessment	Garbage	1,227,058	1,256,117	29,059
Special Assessment	Other	251,611	365,414	113,803
Drug Forfeiture	Supplies		20,248	20,248
CDBG	Senior services	21,265	49,844	28,579
CDBG	Public services	68,500	74,787	6,287

NOTE C - Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township Board has designated various banks for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all of the State statutory authorities as listed above.

The Township of White Lake's deposits and investment policy are in accordance with statutory authority and the investment policy of the Township. At the end of the year, the carrying amount of the Township's deposits were \$8,918,705 (reconciled), the unreconciled bank balance was \$9,240,064, of the deposits \$204,161 was covered by federal depository insurance. Cash deposits are not collateralized.

The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

During the period of tax collection (July-February), cash deposits held by the Township may significantly exceed the amounts as of the balance sheet date.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Cash and Cash Equivalents	\$ 6,892,177	\$ 993	\$ 196,610	\$ 7,089,780
Investments	6,605,563	224,000	7,275,164	14,104,727
Restricted Assets	37,171	3,294,101		3,331,272
Total	<u>\$ 13,534,911</u>	<u>\$ 3,519,094</u>	<u>\$ 7,471,774</u>	<u>\$ 24,525,779</u>

## TOWNSHIP OF WHITE LAKE, MICHIGAN

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE C - Deposits and Investments (continued)

The breakdown between deposits and investments is as follows:

	Primary Government
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 8,918,705
Investments in Securities, Mutual Funds and Similar Vehicles	15,606,248
Petty Cash and Cash on Hand	826
Total	<u>\$ 24,525,779</u>

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year end. Investments are categorized into these categories of credit risk:

1. Insured or registered, or securities held by the Township or its agent in the Township's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name; and
3. Uninsured and unregistered, with securities held by the counterparty or by its trust department of agent but not in the Township's name.

At year-end, the government's investment balances were categorized as follows:

	Category			Reported Amount (Fair Value)
	1	2	3	
Primary Government:				
U.S. Government Securities	\$	\$	\$	\$
Commercial Paper				
Repurchase Agreements				
Subtotal	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Investment Not Subject to Categorization:				
MBIA Michigan Class Investment Pool				667,350
Bank Fund Investment Pools				<u>14,938,898</u>
Total Primary Government				<u>\$15,606,248</u>

The bank fund investment pools and MBIA Michigan Class Investing pool are not categorized because they are not evidenced by securities that are in physical or book entry form. The bank fund investment pools represent a pooling of investments held by the trust department of the bank, and are not subject to general creditors of the bank and therefore are not subject to federal depository insurance; all activity is regulated by the Michigan Banking Act. Investments under the interlocal agreement (MBIA-CLASS) are regulated by the Urban Cooperation Act. The fair value of the position in the bank investment pools and interlocal agreement pools is the same as the value of the pool shares. Management believes that the investments of the Township comply with the investment authority as noted above, and the investment policy of the Township.

Restrictions

Reflected on the balance sheet are restricted cash and cash equivalents detailed as follows:

<u>Enterprise Fund</u>	
Cash and cash equivalents:	
Deposits	\$1,829,750
Investments	<u>1,464,351</u>
	\$3,294,101
<u>Police Fund</u>	
Cash and cash equivalents:	
Investments	<u>37,171</u>
Total assets restricted	<u>\$3,331,272</u>

The assets of the Enterprise fund are restricted for the purpose of servicing the Enterprise Fund's debt, providing emergency funds and for capital improvements for the operation of the water system. The assets of the Police Fund are restricted for equipment acquisitions.

## TOWNSHIP OF WHITE LAKE, MICHIGAN

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE D - Capital Assets

Capital asset activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 1,146,034	\$ 121,910	\$	\$ 1,267,944
Construction in Progress	<u>3,091,362</u>	<u>1,225,518</u>		<u>4,316,880</u>
Subtotal	\$ 4,237,396	\$ 1,347,428	\$	\$ 5,584,824
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 4,073,626	\$ 86,351	\$	\$ 4,159,977
Vehicles	3,032,721	158,884	109,715	3,081,890
Furniture and Equipment	1,123,327	25,641		1,148,968
Sewer System	<u>9,436,399</u>			<u>9,436,399</u>
Subtotal	\$ 17,666,073	\$ 270,876	\$ 109,715	\$ 17,827,234
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 866,373	\$ 112,789	\$	\$ 979,162
Vehicles	1,413,516	297,149	72,811	1,637,854
Furniture and Equipment	489,188	96,410		585,598
Sewer System	<u>298,819</u>	<u>188,728</u>		<u>487,547</u>
Subtotal	\$ 3,067,896	\$ 695,076	\$ 72,811	\$ 3,690,161
Net Capital Assets Being Depreciated	\$ 14,598,177	\$ (424,200)	\$ 36,904	\$ 14,137,073
Governmental Activities Total Capital Assets--Net of Depreciation	\$ 18,835,573	\$ 923,228	\$ 36,904	\$ 19,721,897
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 253,080	\$	\$	\$ 253,080
Construction in Progress	<u>878,524</u>		<u>878,524</u>	
Subtotal	\$ 1,131,604	\$	\$ 878,524	\$ 253,080
Capital Assets Being Depreciated:				
Water System	\$ 6,333,174	\$ 1,377,650	\$	\$ 7,710,824
Machinery and Equipment	<u>106,076</u>	<u>23,826</u>	<u>10,372</u>	<u>119,530</u>
Subtotal	\$ 6,439,250	\$ 1,401,476	\$ 10,372	\$ 7,830,354
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 819,887	\$ 86,220	\$	\$ 906,107
Water System	3,559,750	11,568		3,571,318
Machinery and Equipment	<u>54,486</u>	<u>18,485</u>	<u>10,372</u>	<u>62,599</u>
Subtotal	\$ 4,434,123	\$ 116,273	\$ 10,372	\$ 4,540,024
Net Capital Assets Being Depreciated	\$ 2,005,127	\$ 1,285,203	\$	\$ 3,290,330
Business-Type Activities Total Capital Assets--Net of Depreciation	\$ 3,136,731	\$ 1,285,203	\$ 878,524	\$ 3,543,410

TOWNSHIP OF WHITE LAKE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE D - Capital Assets (continued)

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 91,093
Public Safety	371,800
Public Works	188,728
Economic Development	6,782
Recreation and Culture	34,644
Health and Welfare	<u>2,029</u>
Total Governmental Activities	<u>\$695,076</u>
Business-Type Activities:	
Water	<u>\$116,273</u>

Construction Commitments

The government has active construction projects at year-end. The projects include a sewer project and a Police garage addition. At year-end the government's commitments with contracts are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Sewer Project	\$ 4,316,880	\$ 50,000
Police Garage Addition	<u>5,985</u>	<u>72,640</u>
Total	<u>\$ 4,322,865</u>	<u>\$ 122,640</u>

TOWNSHIP OF WHITE LAKE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

**NOTE E - Interfund Receivables, Payables and Transfers**

The following are the interfund receivables at December 31, 2004:

Fund Due To	Fund Due From	Amount
General Fund	Enterprise Fund	\$ 147,271
	Tax Collection Fund	577,572
	Trust and Agency Fund	292,962
	Special Assessment Fund	96,055
	Community Development Block Grant	38,227
	Pontiac Lake Sewer Debt	4,730
	Pontiac Lake Sewer Construction	8,095
	Estola Pavings	<u>3,082</u>
	Total General Fund	\$1,167,994
Special Revenue Funds:		
Fire Fund	Tax Collection Fund	912,036
Police Fund	Tax Collection Fund	1,471,366
Police Fund	Trust and Agency Fund	8,887
Police Fund	Drug Forfeiture Fund	1,860
Special Assessment Fund	Tax Collection Fund	<u>875,812</u>
	Total Special Revenue Fund	\$3,269,961
Debt Service Funds:		
Sewer Debt	Tax Collection Fund	11,181
Sewer Debt	General Fund	51,448
Pontiac Lake Sewer Debt	Sewer Debt	258,807
Pontiac Lake Sewer Debt	Tax Collection Fund	47,905
Pontiac Lake Sewer Debt	Pontiac Lake Sewer Construction	<u>59,071</u>
	Total Debt Service Fund	\$ 428,412
Enterprise Fund	Tax Collection Fund	9,103
Construction Fund:		
Pontiac Lake Sewer Construction	Sewer Debt Fund	21,000
Estola Paving	Tax Collection Fund	9,487
Estola Paving	Trust and Agency Fund	<u>18,615</u>
	Total Construction Fund	\$ 49,102
	Total interfund receivable	<u>\$4,924,572</u>

These balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

Transfers In	Transfers (Out)		
	General Fund	Improvement Revolving Fund	Total
General Fund	\$	\$ 188,565	\$ 188,565
Fire Fund	725,163		725,163
Police Fund	<u>470,508</u>		<u>470,508</u>
Total	<u>\$1,195,671</u>	<u>\$ 188,565</u>	<u>\$1,384,236</u>

Transfers of unrestricted revenues collected in the general fund to finance police and fire funds in accordance with budgetary authorizations.

In the year ended December 31, 2004, the Township made a one-time transfer of \$188,565 from the improvement revolving fund to the general fund to subsidize the acquisition of property.



TOWNSHIP OF WHITE LAKE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE F - Long-Term Debt

The following is a summary of general long-term debt of the Township for the year ended December 31, 2004:

	Building Authority Bonds	Special Assessment Bonds	General Obligation Bonds	Compensated Absences	Total
Balance at January 1, 2004	\$ 415,000	\$ 890,000	\$11,017,800	\$ 67,000	\$12,389,800
Bond proceeds			1,022,655		1,022,655
Increase in obligation for compensated absences				3,700	3,700
Principal retirements	(125,000)	(80,000)	(620,000)		(825,000)
Balance at December 31, 2004	\$ 290,000	\$ 810,000	\$11,420,455	\$ 70,700	\$12,591,155

The following is a summary of long-term debt for the enterprise fund:

	Revenue Bonds
Balance at January 1, 2004	\$555,000
Principal retirements	(50,000)
Balance at December 31, 2004	\$505,000

Building Authority Bonds:

On April 27, 2000 the Building Authority issued \$725,000 of bonds for Library building improvements. These bonds will be financed by charges to the White Lake Township Library. The bonds interest rate varies from 4.5% to 5.1%. Schedule of required interest and principal payments is as follows:

	Annual Interest	Annual Principal
2005	\$ 11,150	\$ 140,000
2006	3,825	150,000
	<u>\$ 14,975</u>	<u>\$ 290,000</u>

Special Assessment Bonds:

On September 1, 2003 special assessment bonds in the amount of \$890,000 were sold for the Pontiac Lake Sewer. These bonds will be financed by special assessments to certain property owners. The bonds interest rate varies from 3.05% to 5.0%. Schedule of required interest and principal payments is as follows:

	Annual Interest	Annual Principal
2005	\$ 27,034	\$ 105,000
2006	23,753	105,000
2007	20,550	100,000
2008	17,450	100,000
2009	14,150	100,000
2010	11,050	100,000
2011	7,600	100,000
2012	3,900	100,000
	<u>\$125,487</u>	<u>\$ 810,000</u>

## TOWNSHIP OF WHITE LAKE, MICHIGAN

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE F - Long-Term Debt (continued)General Obligations Bonds:

On July 1, 1995 the Township sold \$725,000 Sewage Disposal System Bonds. These bonds are part of the financing for the sewer system project. The bonds bear interest at a rate of 4.8% to 6.0%. Schedule of required principal and interest payments is as follows:

	<u>Annual Interest</u>	<u>Annual Principal</u>
2005	\$ 30,940	\$ 35,000
2006	29,137	35,000
2007	27,291	35,000
2008	25,255	40,000
2009	23,035	40,000
2010	20,633	45,000
2011	17,900	50,000
2012	14,975	50,000
2013	12,000	50,000
2014	8,850	55,000
2015	5,400	60,000
2016	1,800	60,000
	<u>\$217,216</u>	<u>\$ 555,000</u>

In 1996, 1997 and 1998 the Township sold \$9,350,000 sewage disposal bonds through the State of Michigan Revolving Fund. These bonds are part of the financing for the sewer system project. The bonds bear interest at a rate of 2.25%. Schedule of required principal and interest payments is as follows:

	<u>Annual Interest</u>	<u>Annual Principal</u>
2005	\$ 152,044	\$ 425,000
2006	142,312	440,000
2007	132,300	450,000
2008	122,119	455,000
2009	111,713	470,000
2010	101,025	480,000
2011	90,112	490,000
2012	78,975	500,000
2013	67,556	515,000
2014	55,856	525,000
2015	43,931	535,000
2016	31,725	550,000
2017	19,238	560,000
2018	6,469	575,000
	<u>\$1,155,375</u>	<u>\$6,970,000</u>

## TOWNSHIP OF WHITE LAKE, MICHIGAN

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

## NOTE F - Long-Term Debt (continued)

On September 26, 2002 the Township sold \$4,130,000 Pontiac Lake Sanitary Sewer System bonds through the Michigan Municipal Bond Authority. As of December 31, 2004 \$4,065,455 of these proceeds have been distributed to the Township. These bonds will be financed by special assessments to certain property owners. The bonds bear interest at a rate of 2.50%. The repayment schedule on the outstanding amount distributed is as follows:

	<u>Annual Interest</u>	<u>Annual Principal</u>
2005	\$ 95,696	\$ 175,000
2006	91,235	180,000
2007	86,649	185,000
2008	81,937	190,000
2009	77,099	195,000
2010	72,136	200,000
2011	67,047	205,000
2012	61,833	210,000
2013	56,492	215,000
2014	51,026	220,000
2015	45,435	225,000
2016	39,655	235,000
2017	33,686	240,000
2018	27,592	245,000
2019	21,372	250,000
2020	15,027	255,000
2021	8,493	265,000
2022	<u>2,582</u>	<u>205,455</u>
	<u>\$ 934,992</u>	<u>\$3,895,455</u>

Compensated Absences:

Compensated absences reflected in the general long-term debt of \$70,700 represents the estimated liability to be paid to police department employees under the Township's sick pay policy. Upon meeting all requirements for full retirement, an employee will be entitled to fifty percent (50%) with a 100 day cap (maximum payment of 50 days) of his/her sick day bank. Upon favorable separation, with a minimum of ten (10) years of service, an employee is entitled to thirty percent (30%) payout with a 100 day cap (maximum payment of 30 days).

Enterprise Fund:

On February 2, 2000 special assessment bonds in the amount of \$705,000 were sold for the Fisk Road water main. These bonds will be financed by special assessments to certain property owners. The bonds interest rate varies from 5.0% to 6.0%. Schedule of required interest and principal payments is as follows:

	<u>Annual Interest</u>	<u>Annual Principal</u>
2005	\$ 27,478	\$ 50,000
2006	24,977	50,000
2007	22,428	50,000
2008	19,827	50,000
2009	17,178	45,000
2010	14,747	45,000
2011	12,273	45,000
2012	9,753	45,000
2013	7,187	45,000
2014	4,600	40,000
2015	<u>2,300</u>	<u>40,000</u>
	<u>\$162,748</u>	<u>\$ 505,000</u>

## TOWNSHIP OF WHITE LAKE, MICHIGAN

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE F - Long-Term Debt (continued)Summary of Long-Term Debt Requirements:

The amounts necessary to amortize the debt described above for years subsequent to December 31, 2004 (excluding compensated absences) are as follows:

Year ending December 31,	General Long-Term Debt		Enterprise Fund	
	Principal	Interest	Principal	Interest
2005	\$ 880,000	\$ 316,864	\$ 50,000	\$ 27,478
2006	910,000	290,262	50,000	24,977
2007	770,000	266,790	50,000	22,428
2008	785,000	246,761	50,000	19,827
2009	805,000	225,997	45,000	17,178
2010-2014	4,110,000	798,966	220,000	48,560
2015-2019	3,535,000	276,303	40,000	2,300
2020-2022	725,455	26,102		
	<u>\$12,520,445</u>	<u>\$2,448,045</u>	<u>\$ 505,000</u>	<u>\$162,748</u>

NOTE G - Restricted Assets

The balances of the restricted asset accounts are as follows:

Enterprise Fund:	
Revenue Restrictions:	
Operations and Maintenance Account	\$ 984,335
Improvements and Replacement Account	1,993,859
Bond Reserve	315,907
	<u>\$3,294,101</u>
Police Fund:	
Police equipment	37,171
	<u>37,171</u>
Total Restricted Assets	<u>\$3,331,272</u>

NOTE H - Retirement PlansDefined Contribution Plan:

Effective April 1969, the Township established a defined contribution pension plan for all full-time employees hired before April 1, 1992. A defined contribution plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual accounts are to be determined instead of specifying the amount of benefit the individual is to receive. Participants become one-hundred percent vested after twenty months of service. In a defined contribution plan benefits depend solely on amounts contributed to the plan plus investment earnings. Contributions are calculated on employee base salary at a rate of ten percent which includes employee contributions of two or three percent depending on the terms of negotiated labor contracts. Employees may make additional voluntary contributions to the plan.

The Township's contribution of \$34,487 (10% of covered payroll) to this plan was calculated using the base pay amount of \$344,870, total payroll for 2004 was \$4,846,118.

Deferred Compensation Plan:

The Township Board offers all Township employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of the Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balance and activities are not reflected in the Township's financial statements.

## TOWNSHIP OF WHITE LAKE, MICHIGAN

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

## NOTE H - Retirement Plans (continued)

Defined Benefit Plan:

The Township participates in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance; disability retirement allowance, nonduty-connected death and postretirement adjustments to plan members and their beneficiaries. All Township full-time employees are eligible to participate in the system. All employees who retire after age 60 with 10 years of credited service are entitled to a retirement benefit, payable for life, equal to 2.5% of their 3-year final average compensation (FAC), with a maximum benefit of 80% of FAC. The system also provides disability benefits to a member who becomes totally and permanently disabled while employed by the Township and after acquiring 10 or more years of credited service. The service requirement is waived if the disability is from service connected causes. If a member or vested former member with 10 or more years of service dies in a non-duty related death before retirement, a monthly survivor allowance may be payable. The service requirement is waived in a duty related death. The most recent period for which actuarial data was available was for the year ended December 31, 2004.

MERS was organized pursuant to Section 12a of Act #156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a)), as amended, State of Michigan. MERS is regulated under Act No. 427 of the Public Acts of 1984, sections of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the MERS at 447 North Canal Street, Lansing, Michigan 48917.

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining unit or personnel policy. The Township is required to contribute at an actuarially determined rate; the current rate was 7.26% of annual covered payroll for non-union employees, 5.71% for police employees, 9.41% for fire employees and 13.35% for public safety employees at December 31, 2004.

During the year ended December 31, 2004, the Township's annual pension cost of \$382,883 for the plan was equal to the required and actual contribution. The annual required contribution was determined by an actuarial valuation of the plan as of December 31, 2002. The employer contribution rate has been determined based on the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability over 33 years. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for his projected benefit. Significant actuarial assumptions used include a long-term investment yield rate of 8 percent and annual salary increases of 4.5 percent based on an age-related scale to reflect merit, longevity, and promotional salary increases.

Three Year Trend Information for GASB Statement No. 27:

<u>Fiscal Period Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2002	\$ 191,016	100%	\$ -0-
December 31, 2003	300,545	100%	-0-
December 31, 2004	382,883	100%	-0-

Required Supplementary Information for GASB Statement No. 27:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as of Percentage of Covered Payroll</u>
<u>December 31,</u>	<u>(a)</u>	<u>(AAL) (b)</u>	<u>(UAAL) (b-a)</u>	<u>(a/b)</u>	<u>(c)</u>	<u>(b-a)/(c)</u>
2002	\$ 6,984,442	\$ 8,425,138	\$ 1,440,696	82.8%	\$3,447,851	41.8%
2003	8,309,580	10,670,330	2,360,750	77.9%	4,202,592	56.2%
2004	9,327,907	11,959,604	2,631,697	78.0%	4,407,613	59.7%

TOWNSHIP OF WHITE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE I - Post Employment Benefits:

Union Employees:

The Township provides health care benefits to all full-time employees upon retirement with 25 years of service and after attaining the age of 55 years, or 10 years of service and after attaining the age of 65 years, in accordance with labor contracts. The Township includes pre-Medicare retirees and their dependents in its insured health care plan, with contributions required by the participant for dependents. The Township purchases Medicare supplemental insurance for retirees eligible for Medicare.

Non-Union Employees:

The Township provides health care benefits for all retiring employees with 25 years of service and after attaining the age of 50 years, or 10 years of service and after attaining the age of 60 years. The Township includes pre-Medicare retirees and their spouse in its insured health care plan, with contributions required by the participant for their spouse. The Township purchases Medicare supplemental insurance for retirees eligible for Medicare.

Expenditures for post employment health care benefits are recognized as the insurance premiums become due; during the year ended December 31, 2004, this amounted to approximately \$86,900 and covered twelve retired employees.

Fulltime Elected Officials

The Township will carry medical benefits for spouses of fulltime elected officials at retirement, if they meet 25 years of service and 50 years of age or 8 years of service and 60 years of age.

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending December 31, 2008.

NOTE J - Commitments:

At December 31, 2004, the Township has commitments as follows:

1. The Township is in the process of purchasing five police cars at an estimated cost of \$95,400.

NOTE K - Litigation and Contingent Liabilities:

The Township is a defendant in various litigations. The Township attorney and management are of the opinion that any potential liability resulting from these cases, either can not be determined, is not material or should be within the insurance coverage of the Township, therefore, is not reflected in the financial statements.

NOTE L - Sewer Systems:

The Township has operating sewers and is in the process of constructing additional sewer extensions throughout the Township. The Township belongs to the Commerce/White Lake Sewer System. Oakland County operates and maintains this sewer system.

NOTE M - Reserved Fund Balances:

Fund balances have been reserved for the following purposes:

	<u>General Fund</u>
Transportation	\$ 52,208
	<u>Fire Fund</u>
Equipment acquisition	\$ 3,680,252
	<u>Police Fund</u>
Police equipment	\$ 37,173

TOWNSHIP OF WHITE LAKE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE N - Risk Management:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for health, dental and life claims. The Township participates in the Michigan Municipal Risk Management Authority state pool for claims relating to property loss, torts, errors and omissions and participates in the Michigan Municipal League risk pool for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Michigan Municipal Risk Management Authority State Pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Authority itself.

NOTE O - Building Permit Fund:

As per Public Act 245 of 1999 the building permit schedule of revenues and expenditures for the year is detailed below:

Accumulated deficit of expenditures over revenues - December 31, 2003	\$(126,159)
2004:	
Revenues:	
Building Permits	\$514,454
Electric Permits	117,550
Heating Permits	106,675
Plumbing Permits	101,427
Plot Plan Review	27,537
Building Plan Review	<u>49,821</u>
Total revenues	917,464
Expenditures:	
Building Inspections (see page 41 - Statement of Expenditures - General Fund)	(562,441)
Capital Outlay - Building Inspections	<u>(6,198)</u>
Total expenditures	\$(568,639)
Surplus of revenues over expenditures	<u>\$ 348,825</u>
Accumulated excess of revenues over expenditures - December 31, 2004	<u>\$ 222,666</u>

REQUIRED SUPPLEMENTAL INFORMATION



## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenues:				
Taxes:				
Current tax. . . . .	\$ 970,092	\$ 970,092	\$ 939,727	\$ (30,365)
Delinquent . . . . .	5,000	5,000	5,622	622
Trailer taxes. . . . .	11,000	11,000	10,952	(48)
Interest and penalty . . . . .	9,000	9,000	16,868	7,868
	<u>\$ 995,092</u>	<u>\$ 995,092</u>	<u>\$ 973,169</u>	<u>\$ (21,923)</u>
Licenses and permits:				
General licenses and permits . . . . .	7,100	7,100	8,129	1,029
Building permits . . . . .	300,000	371,818	514,454	142,636
Electrical permits . . . . .	70,000	70,000	117,550	47,550
Plumbing permits . . . . .	40,000	60,000	101,427	41,427
Heating permits. . . . .	60,000	100,000	106,675	6,675
Soil erosion permit. . . . .	30,000	30,000	27,925	(2,075)
Dog licenses . . . . .	1,000	1,000	897	(103)
Zoning permits . . . . .	1,500	1,500		(1,500)
Cable T.V. franchise . . . . .	260,000	260,000	233,095	(26,905)
	<u>\$ 769,600</u>	<u>\$ 901,418</u>	<u>\$ 1,110,151</u>	<u>\$ 208,733</u>
Federal sources - grant. . . . .	11,800	11,800	8,800	(3,000)
State sources:				
State revenue sharing. . . . .	2,309,694	2,309,694	2,088,334	(221,360)
Metro Act. . . . .			15,555	15,555
SMART grant. . . . .	67,765	67,765	80,189	12,424
	<u>\$ 2,377,459</u>	<u>\$ 2,377,459</u>	<u>\$ 2,184,078</u>	<u>\$ (193,381)</u>
Charges for services:				
Site and plate fees. . . . .	11,500	11,500	8,300	(3,200)
Building plan review . . . . .	3,000	3,000	49,821	46,821
Plot plan review . . . . .			27,537	27,537
Board of Appeals . . . . .	8,000	8,000	5,530	(2,470)
Special meeting fees . . . . .	15,000	15,000	17,376	2,376
Cemetery - sale of lots. . . . .	6,000	6,000	11,700	5,700
Duplicating and photostating . . . . .	2,000	2,000	3,259	1,259
Senior services. . . . .	6,000	6,000	11,929	5,929
Other maps, codes, etc . . . . .	2,000	2,000	2,745	745
Enhanced revenue . . . . .	500	500	2,007	1,507
Administration fees - other funds. . . . .	30,000	30,000	61,280	31,280
	<u>\$ 84,000</u>	<u>\$ 84,000</u>	<u>\$ 201,485</u>	<u>\$ 117,485</u>
Fines and forfeitures - ordinance fines. . . . .	1,000	1,000	600	(400)

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenues (continued):				
Interest and rents:				
Interest earnings . . . . .	70,000	70,000	91,861	21,861
Rents:				
Community Hall rental . . . . .	3,000	3,000	7,410	4,410
Dublin Center rental . . . . .	1,000	1,000	370	(630)
Field rentals . . . . .	500	500	1,985	1,485
Ormond Road Tower rental . . . . .	4,800	4,800	4,800	
Wolverine Lake van rental . . . . .	4,000	4,000	8,000	4,000
	<u>\$ 83,300</u>	<u>\$ 83,300</u>	<u>\$ 114,426</u>	<u>\$ 31,126</u>
Other:				
Street lighting . . . . .	18,000	18,000	16,692	(1,308)
Refunds and rebates . . . . .	15,500	19,500	23,194	3,694
Contributions . . . . .	3,500	3,500	4,436	936
Sale of fixed assets . . . . .	500	500	910	410
Reimbursements . . . . .	61,000	61,000	63,755	2,755
Miscellaneous . . . . .	16,000	25,000	25,447	447
	<u>\$ 114,500</u>	<u>\$ 127,500</u>	<u>\$ 134,434</u>	<u>\$ 6,934</u>
Total revenues . . . . .	<u>\$ 4,436,751</u>	<u>\$ 4,581,569</u>	<u>\$ 4,727,143</u>	<u>\$ 145,574</u>
Expenditures:				
General government:				
Township board:				
Salaries - Trustees . . . . .	29,625	29,625	27,774	1,851
Fees and per diem . . . . .	4,000	4,000	3,287	713
Social security . . . . .	2,600	2,600	2,387	213
Employee insurance . . . . .	20,731	20,731	15,875	4,856
Travel and conferences . . . . .	6,500	6,500	2,245	4,255
General insurance . . . . .	1,500	1,500	54	1,446
Dues and subscriptions . . . . .	15,500	15,500	12,028	3,472
Miscellaneous . . . . .	2,000	2,000	664	1,336
	<u>\$ 82,456</u>	<u>\$ 82,456</u>	<u>\$ 64,313</u>	<u>\$ 18,143</u>
Supervisor:				
Salary - officer . . . . .	70,016	70,016	69,785	231
Salary - Administrative assistant . . . . .	46,353	46,353	46,417	(64)
Salary - clerical . . . . .	39,492	39,492	39,376	116
Social security . . . . .	11,932	11,932	12,055	(123)
Employee insurance . . . . .	43,649	43,649	36,728	6,921

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Expenditures (continued):				
General government (continued):				
Supervisor (continued):				
Pension. . . . .	22,093	22,093	18,629	3,464
Communications . . . . .	1,000	1,000	562	438
Travel and conferences . . . . .	6,000	6,000	2,720	3,280
General insurance. . . . .	1,500	1,500	1,318	182
Dues and subscriptions . . . . .	500	500	60	440
Miscellaneous. . . . .	300	300	275	25
	<u>\$ 242,835</u>	<u>\$ 242,835</u>	<u>\$ 227,923</u>	<u>\$ 14,912</u>
Clerk:				
Salary - officer . . . . .	63,155	63,155	63,161	(6)
Salary - Deputy Clerk. . . . .	51,500	64,500	67,997	(3,497)
Salary - bookkeeper. . . . .	49,018	49,018	49,023	(5)
Salary - clerical. . . . .	94,555	94,555	99,174	(4,619)
Social security. . . . .	19,755	19,755	21,385	(1,630)
Employee insurance . . . . .	54,831	54,831	47,690	7,141
Pension. . . . .	36,060	36,060	35,705	355
Supplies . . . . .	5,500	5,500	468	5,032
Communications . . . . .	1,000	1,000	773	227
Travel and conferences . . . . .	1,200	1,200	978	222
Legal notices. . . . .	20,000	20,000	5,653	14,347
General insurance. . . . .	1,000	1,000	939	61
Dues and subscriptions . . . . .	400	400	343	57
Training . . . . .	700	700	601	99
Miscellaneous. . . . .	200	200	427	(227)
	<u>\$ 398,874</u>	<u>\$ 411,874</u>	<u>\$ 394,316</u>	<u>\$ 17,558</u>
Audit expense. . . . .	35,000	35,000	35,135	(135)
Board of review:				
Fees and per diem. . . . .	1,500	1,500	720	780
Social security. . . . .	115	115	45	70
Conferences. . . . .	150	150		150
	<u>\$ 1,765</u>	<u>\$ 1,765</u>	<u>\$ 765</u>	<u>\$ 1,000</u>

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Expenditures (continued):				
General government (continued):				
Treasurer:				
Salary - officer . . . . .	64,154	64,154	64,225	(71)
Salary - Deputy Treasurer . . . . .	49,968	49,968	49,920	48
Salaries - Clerical . . . . .	69,532	69,532	64,380	5,152
Social security . . . . .	14,050	14,050	13,653	397
Employee insurance . . . . .	66,543	66,543	58,230	8,313
Pension . . . . .	27,390	27,390	24,618	2,772
Supplies . . . . .	400	400	1,800	(1,400)
Data processing . . . . .	20,000	20,000	16,860	3,140
Communications . . . . .	1,000	1,000	726	274
Travel and conferences . . . . .	2,150	2,150	1,352	798
General insurance . . . . .	1,000	1,000	1,581	(581)
Dues and subscriptions . . . . .	1,200	1,200	912	288
Training . . . . .	1,500	1,500	330	1,170
Miscellaneous . . . . .	300	300	46	254
	<u>\$ 319,187</u>	<u>\$ 319,187</u>	<u>\$ 298,632</u>	<u>\$ 20,555</u>
Assessing:				
Salaries . . . . .	199,866	199,866	197,058	2,808
Social security . . . . .	15,290	15,290	15,291	(1)
Employee insurance . . . . .	51,695	51,695	61,830	(10,135)
Pension . . . . .	19,937	19,937	18,988	949
Supplies . . . . .	400	400	344	56
Data processing . . . . .	15,000	15,000	8,052	6,948
Travel and conferences . . . . .	5,800	5,800	1,435	4,365
General insurance . . . . .	5,500	5,500	5,455	45
Dues and subscriptions . . . . .	840	840	535	305
Training . . . . .	3,000	3,000	1,191	1,809
Miscellaneous . . . . .	200	200	156	44
	<u>\$ 317,528</u>	<u>\$ 317,528</u>	<u>\$ 310,334</u>	<u>\$ 7,194</u>
Elections:				
Fees and per diem . . . . .	25,000	25,000	23,327	1,673
Operating supplies . . . . .	6,000	6,000	8,181	(2,181)
Equipment maintenance . . . . .	6,000	6,000	5,776	224
Miscellaneous . . . . .	3,000	3,000	796	2,204
	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 38,080</u>	<u>\$ 1,920</u>

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Expenditures (continued):				
General government (continued):				
Township buildings and grounds:				
Salaries - custodian . . . . .	70,520	70,520	41,952	28,568
Social security . . . . .	3,329	3,329	3,202	127
Employee insurance . . . . .	14,651	14,651	15,584	(933)
Pension . . . . .	4,352	4,352	3,954	398
Communications . . . . .	16,000	16,000	6,935	9,065
Transportation . . . . .	3,000	3,000	2,632	368
General insurance . . . . .	59,000	59,000	69,032	(10,032)
Utilities . . . . .	63,000	63,000	50,421	12,579
Building and grounds maintenance . . . . .	143,000	143,000	60,496	82,504
Equipment maintenance . . . . .	47,000	47,000	34,886	12,114
Miscellaneous . . . . .	5,000	5,000	2,788	2,212
	<u>\$ 428,852</u>	<u>\$ 428,852</u>	<u>\$ 291,882</u>	<u>\$ 136,970</u>
Legal fees . . . . .	90,000	90,000	74,330	15,671
Cemetery:				
General insurance . . . . .			501	(501)
Utilities . . . . .	500	500	230	270
Maintenance . . . . .	15,000	15,000	14,104	896
Miscellaneous . . . . .	1,500	1,500	761	739
	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 15,595</u>	<u>\$ 1,405</u>
Conservation services . . . . .	60,000	60,000	87,809	(27,809)
Other general services administration activities:				
Mailing and postage . . . . .	44,000	44,000	38,529	5,471
Office supplies . . . . .	25,000	25,000	24,072	928
Miscellaneous . . . . .	20,000	20,000	6,338	13,662
	<u>\$ 89,000</u>	<u>\$ 89,000</u>	<u>\$ 68,939</u>	<u>\$ 20,061</u>
Total general government . . . . .	<u>\$ 2,122,497</u>	<u>\$ 2,135,497</u>	<u>\$ 1,908,053</u>	<u>\$ 227,444</u>
Public safety:				
Building inspection department:				
Salaries . . . . .	221,312	236,972	231,631	5,341
Electrical inspector . . . . .	40,000	55,000	54,987	13
Plumbing inspector . . . . .	40,000	110,000	96,532	13,468
Social security . . . . .	22,930	28,088	29,740	(1,652)
Employee insurance . . . . .	70,553	70,553	59,528	11,025

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Expenditures (continued):				
Public safety (continued):				
Building inspection department (continued):				
Pension . . . . .	21,211	21,211	19,948	1,264
Supplies . . . . .	6,500	6,500	6,016	484
Professional fees . . . . .	10,500	35,500	43,957	(8,457)
Communications . . . . .	2,400	2,400	2,196	204
Transportation and conferences . . . . .	10,500	10,500	8,803	1,697
General insurance . . . . .	7,700	7,700	6,594	1,106
Dues and subscriptions . . . . .	500	500	770	(270)
Training . . . . .	3,000	3,000	1,411	1,589
Miscellaneous . . . . .	2,175	2,175	330	1,845
Total public safety . . . . .	\$ 459,281	\$ 590,099	\$ 562,441	\$ 27,658
Public works:				
Highway and streets . . . . .	201,000	201,000	95,640	105,360
Street lighting . . . . .	35,000	35,000	32,015	2,985
Total public works . . . . .	\$ 236,000	\$ 236,000	\$ 127,655	\$ 108,345
Health and welfare:				
Senior citizens transportation program:				
Salaries . . . . .	58,000	58,000	45,291	12,709
Social security . . . . .	4,437	4,437	3,476	961
Employee insurance . . . . .	2,000	2,000	852	1,148
Supplies . . . . .	2,000	2,000	156	1,844
Communications . . . . .	4,000	4,000	2,282	1,719
Transportation . . . . .	18,000	18,000	15,532	2,468
General insurance . . . . .	3,500	3,500	4,146	(646)
Miscellaneous . . . . .	2,500	2,500	325	2,175
	\$ 94,437	\$ 94,437	\$ 72,059	\$ 22,378
Special projects contributions . . . . .	10,000	10,000	4,000	6,000
Total health and welfare . . . . .	\$ 104,437	\$ 104,437	\$ 76,059	\$ 28,378
Community and economic development:				
Planning:				
Salaries . . . . .	274,026	274,026	256,206	17,820
Social security . . . . .	21,000	21,000	20,512	488
Employee insurance . . . . .	62,898	62,898	46,874	16,024
Pension . . . . .	25,603	25,603	24,799	804

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Expenditures (continued):				
Community and economic development (continued):				
Planning (continued):				
Supplies . . . . .	3,000	3,000	1,534	1,466
Professional fees . . . . .	80,000	80,000	103,177	(23,177)
Communications . . . . .	3,000	3,000	1,847	1,153
Transportation and conferences . . . . .	10,500	10,500	4,900	5,600
Legal notices . . . . .	3,000	3,000	1,125	1,875
General insurance . . . . .	4,000	4,000	4,536	(536)
Dues and subscriptions . . . . .	2,500	2,500	2,288	212
Training . . . . .	4,000	4,000	3,335	665
Miscellaneous . . . . .	200	200	40	160
Total community and economic development . . . . .	\$ 493,727	\$ 493,727	\$ 471,172	\$ 22,555
Recreation and culture:				
Other recreation and park activities . . . . .	15,300	15,300	7,154	8,146
Senior center program:				
Salaries . . . . .	96,352	96,352	47,256	49,096
Social security . . . . .	7,370	7,370	7,301	69
Employee insurance . . . . .	25,671	25,671	22,704	2,967
Pension . . . . .	8,205	8,205	7,859	346
Supplies and activities . . . . .	18,200	18,200	10,992	7,208
Communications . . . . .	1,500	1,500	489	1,011
Transportation and conferences . . . . .	2,400	2,400	403	1,997
General insurance . . . . .	1,000	1,000	480	520
Dues and subscriptions . . . . .	1,500	1,500	343	1,157
Miscellaneous . . . . .	500	500	1,523	(1,023)
	\$ 162,698	\$ 162,698	\$ 99,350	\$ 63,348
Total recreation and culture . . . . .	\$ 177,998	\$ 177,998	\$ 106,503	\$ 71,495
Other:				
Sick pay allowance . . . . .	10,000	10,000	1,860	8,140
Payroll service . . . . .	10,000	11,000	10,781	219
Insurance and bonds . . . . .	30,000	30,000	18,204	11,796
Total other . . . . .	\$ 50,000	\$ 51,000	\$ 30,845	\$ 20,155

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Expenditures (continued):				
Capital outlay:				
Supervisor . . . . .	5,000	5,000	4,577	423
Clerk. . . . .	5,000	5,000	4,819	181
Treasurer. . . . .	3,300	3,300	6,228	(2,928)
Assessing. . . . .	5,000	5,000	4,105	895
Elections. . . . .	10,000	10,000	3,313	6,687
Township buildings . . . . .	232,000	417,000	219,508	197,492
Cemetery . . . . .	23,000	23,000	11,958	11,042
Building inspections . . . . .	25,000	25,000	6,198	18,802
Planning . . . . .	5,000	5,000	5,802	(802)
Senior center program. . . . .	2,000	2,000	403	1,597
Total capital outlay . . . . .	\$ 315,300	\$ 500,300	\$ 266,911	\$ 233,389
Total expenditures . . . . .	\$ 3,959,240	\$ 4,289,058	\$ 3,549,640	\$ 739,418
Excess of revenues over expenditures . . . . .	\$ 477,511	\$ 292,511	\$ 1,177,503	884,992
Other financing sources (uses):				
Operating transfers in . . . . .		183,000	188,565	5,565
Operating transfer out . . . . .	(1,465,634)	(1,465,634)	(1,195,671)	269,963
Total other financing sources (uses) . . . . .	\$ (1,465,634)	\$ (1,282,634)	\$ (1,007,107)	\$ 275,527
Excess of revenues and other sources over (under) expenditures and other uses . . . . .	\$ (988,123)	\$ (990,123)	\$ 170,396	\$ 1,160,519
Fund balance - January 1, 2004 . . . . .	1,832,573	1,832,573	1,832,573	
Fund balance - December 31, 2004 . . . . .	\$ 844,450	\$ 842,450	\$ 2,002,969	\$ 1,160,519



## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
FIRE FUND

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes . . . . .	\$ 1,606,967	\$ 1,606,967	\$ 1,607,455	\$ 488
Federal sources . . . . .			7,444	7,444
Interest . . . . .	15,000	15,000	3,348	(11,652)
Other:				
Sale of fixed assets . . . . .	1,000	1,000		(1,000)
Insurance recoveries . . . . .	2,000	2,000		(2,000)
Cost recoveries . . . . .			13,149	13,149
Miscellaneous . . . . .	1,000	1,000	6,393	5,393
<b>Total revenues . . . . .</b>	<b>\$ 1,625,967</b>	<b>\$ 1,625,967</b>	<b>\$ 1,637,789</b>	<b>\$ 11,822</b>
<b>Expenditures:</b>				
Salaries . . . . .	804,073	804,073	810,367	(6,294)
Social security . . . . .	47,359	47,359	62,227	(14,868)
Employee insurance . . . . .	194,207	194,207	175,291	18,916
Pension . . . . .	80,219	80,219	85,356	(5,137)
Office supplies and expenses . . . . .	3,200	3,200	4,886	(1,686)
Uniforms . . . . .	10,000	10,000	9,132	868
Food allowance . . . . .	4,000	4,000	4,000	
Operating supplies . . . . .	40,000	40,000	32,856	7,144
Professional fees . . . . .	7,500	7,500	3,892	3,609
Communications . . . . .	8,700	8,700	8,276	424
Vehicle maintenance and expenses . . . . .	76,600	76,600	101,480	(24,880)
Conferences . . . . .	1,500	1,500	991	509
Medical supplies and services . . . . .	10,200	10,200	8,251	1,949
General insurance . . . . .	60,025	60,025	58,160	1,865
Utilities . . . . .	18,900	18,900	19,964	(1,064)
Repairs and maintenance . . . . .	72,000	72,000	76,453	(4,453)
Dues and subscriptions . . . . .	1,800	1,800	2,377	(577)
Training . . . . .	15,000	15,000	21,224	(6,224)
Miscellaneous . . . . .	4,550	4,550	3,855	695
	<b>\$ 1,459,833</b>	<b>\$ 1,459,833</b>	<b>\$ 1,489,038</b>	<b>\$ (29,205)</b>
<b>Capital outlay . . . . .</b>	<b>853,648</b>	<b>853,648</b>	<b>64,665</b>	<b>788,983</b>
<b>Total expenditures . . . . .</b>	<b>\$ 2,313,481</b>	<b>\$ 2,313,481</b>	<b>\$ 1,553,703</b>	<b>\$ 759,778</b>
<b>Excess of revenues over (under) expenditures . . . . .</b>	<b>\$ (687,514)</b>	<b>\$ (687,514)</b>	<b>\$ 84,086</b>	<b>\$ 771,600</b>
<b>Other financing sources:</b>				
Operating transfers in . . . . .	687,514	687,514	725,163	37,649
<b>Excess of revenues and other sources over expenditures . . . . .</b>	<b>\$</b>	<b>\$</b>	<b>\$ 809,249</b>	<b>\$ 809,249</b>
<b>Fund balance - January 1, 2004 . . . . .</b>	<b>2,871,003</b>	<b>2,871,003</b>	<b>2,871,003</b>	
<b>Fund balance - December 31, 2004 . . . . .</b>	<b>\$ 2,871,003</b>	<b>\$ 2,871,003</b>	<b>\$ 3,680,252</b>	<b>\$ 809,249</b>

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
POLICE FUND

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes . . . . .	\$ 2,592,308	\$ 2,592,308	\$ 2,593,094	\$ 786
Federal sources . . . . .			8,503	8,503
State sources . . . . .	23,000	23,000	17,297	(5,703)
Charges for services . . . . .	10,000	10,000	25,057	15,057
Fines and forfeitures . . . . .	95,000	95,000	117,005	22,005
Interest . . . . .	16,000	16,000	5,776	(10,224)
Other:				
Sale of fixed assets . . . . .	38,000	38,000	26,165	(11,835)
Miscellaneous . . . . .	14,600	14,600	106,165	91,565
<b>Total revenues . . . . .</b>	<b>\$ 2,788,908</b>	<b>\$ 2,788,908</b>	<b>\$ 2,899,062</b>	<b>\$ 110,154</b>
<b>Expenditures:</b>				
Salaries . . . . .	2,019,190	2,019,190	2,077,127	(57,937)
Social security . . . . .	153,321	153,321	173,446	(20,125)
Employee insurance . . . . .	510,670	510,670	460,534	50,136
Pension . . . . .	255,747	255,747	135,706	120,041
Office supplies and expenses . . . . .	13,000	13,000	11,947	1,053
Uniforms . . . . .	24,000	24,000	20,220	3,780
Operating supplies . . . . .	10,050	10,050	11,559	(1,509)
Professional fees . . . . .	72,500	72,500	127,798	(55,298)
Data processing . . . . .	16,000	16,000	18,732	(2,732)
Communications . . . . .	12,000	12,000	8,501	3,499
Vehicle maintenance and expenses . . . . .	65,400	65,400	65,520	(120)
Conferences . . . . .	1,500	1,500	735	765
General insurance . . . . .	70,500	70,500	61,151	9,349
Repairs and maintenance . . . . .	62,000	62,000	58,634	3,366
Dues and subscriptions . . . . .	3,050	3,050	2,066	984
Training . . . . .	16,700	16,700	16,262	438
Crossing guards . . . . .	11,300	11,300	10,533	767
Miscellaneous . . . . .	7,700	7,700	5,338	2,362
	<u>\$ 3,324,628</u>	<u>\$ 3,324,628</u>	<u>\$ 3,265,810</u>	<u>\$ 58,818</u>
<b>Capital outlay . . . . .</b>	<b>140,000</b>	<b>140,000</b>	<b>107,065</b>	<b>32,935</b>
<b>Total expenditures . . . . .</b>	<b>\$ 3,464,628</b>	<b>\$ 3,464,628</b>	<b>\$ 3,372,874</b>	<b>\$ 91,754</b>
<b>Excess of revenues over     (under) expenditures . . . . .</b>	<b>\$ (675,720)</b>	<b>\$ (675,720)</b>	<b>\$ (473,813)</b>	<b>\$ 201,907</b>
<b>Other financing sources:</b>				
Operating transfers in . . . . .	675,720	675,720	470,508	(205,212)
<b>Excess of revenues and other sources     over (under) expenditures . . . . .</b>	<b>\$</b>	<b>\$</b>	<b>\$ (3,304)</b>	<b>\$ (3,304)</b>
<b>Fund balance - January 1, 2004 . . . . .</b>	<b>40,477</b>	<b>40,477</b>	<b>40,477</b>	
<b>Fund balance - December 31, 2004 . . . . .</b>	<b>\$ 40,477</b>	<b>\$ 40,477</b>	<b>\$ 37,173</b>	<b>\$ (3,304)</b>

JAMES R. KNIGHT, P.L.C. - CERTIFIED PUBLIC ACCOUNTANTS

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
IMPROVEMENT REVOLVING FUND

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenues:				
Interest. . . . .	\$	\$	\$ 39,151	\$ 39,151
Expenditures:				
Miscellaneous . . . . .			1,974	(1,974)
Excess of revenues over (under) expenditures. . . . .	\$	\$	\$ 37,177	\$ 37,177
Other financing sources (uses):				
Operating transfer in . . . . .				
Operating transfer out. . . . .			188,565	(188,565)
Total other financing sources (uses). . .	\$	\$	\$ 188,565	\$ (188,565)
Excess of revenues and other sources over (under) expenditures and other uses. . . . .	\$	\$	\$ (151,387)	\$ (151,387)
Fund balance - January 1, 2004. . . . .	3,410,631	3,410,631	3,410,631	
Fund balance - December 31, 2004. . . . .	<u>\$ 3,410,631</u>	<u>\$ 3,410,631</u>	<u>\$ 3,259,244</u>	<u>\$ (151,387)</u>

JANE C. KNIGHT, P.L.C. - CERTIFIED PUBLIC ACCOUNTANT

## TOWNSHIP OF WHITE LAKE, MICHIGAN

BUDGETARY COMPARISON SCHEDULE  
SPECIAL ASSESSMENT FUND

For the Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenues:				
Interest . . . . .	\$	\$	\$ 16,642	\$ 16,642
Other - special assessments . . . . .	1,301,242	1,301,242	1,645,600	344,358
Total revenues . . . . .	\$ 1,301,242	\$ 1,301,242	\$ 1,662,243	\$ 361,001
Expenditures:				
Special assessments:				
Garbage . . . . .	1,227,058	1,227,058	1,256,117	(29,059)
Others . . . . .	251,611	251,611	365,414	(113,803)
Total expenditures . . . . .	\$ 1,478,669	\$ 1,478,669	\$ 1,621,532	\$ (142,863)
Excess of revenues over (under) expenditures . . . . .	\$ (177,427)	\$ (177,427)	\$ 40,711	\$ 218,138
Fund balance - January 1, 2004 . . . . .	476,019	476,019	476,019	
Fund balance - December 31, 2004 . . . . .	\$ 298,592	\$ 298,592	\$ 516,730	\$ 218,138

JANE G. KNIGHT, P.L.C. - CERTIFIED PUBLIC ACCOUNTANTS

OTHER SUPPLEMENTAL INFORMATION

## TOWNSHIP OF WHITE LAKE, MICHIGAN

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2004

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents . . . . .	\$ 238,814	\$ 4,119	\$	\$ 242,933
Assessments receivable . . . . .			4,528	4,528
Due from other funds . . . . .			28,102	28,102
Due from other governments . . . . .	38,227			38,227
Total assets . . . . .	<u>\$ 277,041</u>	<u>\$ 4,119</u>	<u>\$ 32,630</u>	<u>\$ 313,790</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Due to other funds . . . . .	\$ 40,087	\$	\$ 3,082	\$ 43,169
Total liabilities . . . . .	\$ 40,087	\$	\$ 3,082	\$ 43,169
<b>Fund balances:</b>				
Reserved for:				
Debt service . . . . .		4,119		4,119
Unreserved . . . . .	236,954		29,548	266,502
Total fund balances . . . . .	<u>\$ 236,954</u>	<u>\$ 4,119</u>	<u>\$ 29,548</u>	<u>\$ 270,621</u>
Total liabilities and fund balances . . . . .	<u>\$ 277,041</u>	<u>\$ 4,119</u>	<u>\$ 32,630</u>	<u>\$ 313,790</u>

JANIS C. KNIGHT, CLU, CERTIFIED PUBLIC ACCOUNTANT

## TOWNSHIP OF WHITE LAKE, MICHIGAN

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2004

	Drug Forfeiture	Community Development Block Grant	Sewer Maintenance	Total
<b>ASSETS</b>				
Cash and cash equivalents . . . . .	\$ 74,171	\$	\$ 164,643	\$ 238,814
Due from other governments. . . . .		38,227		38,227
Total assets. . . . .	<u>\$ 74,171</u>	<u>\$ 38,227</u>	<u>\$ 164,643</u>	<u>\$ 277,041</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to other funds. . . . .	\$ 1,860	\$ 38,227	\$	\$ 40,087
Total liabilities . . . . .	\$ 1,860	\$ 38,227	\$	\$ 40,087
Fund balances - unreserved. . . . .	72,311		164,643	236,954
Total liabilities and fund balances . . .	<u>\$ 74,171</u>	<u>\$ 38,227</u>	<u>\$ 164,643</u>	<u>\$ 277,041</u>

JANZ &amp; KNIGHT, P.L.L.C. - CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF WHITE LAKE, MICHIGAN

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DEBT SERVICE FUNDS  
DECEMBER 31, 2004

	Building Authority	Total
ASSETS		
Cash and cash equivalents . . . . .	\$ 4,119	\$ 4,119
Total assets . . . . .	<u>\$ 4,119</u>	<u>\$ 4,119</u>
LIABILITIES AND FUND BALANCES		
Fund balances - reserved for debt service . . . . .	\$ 4,119	\$ 4,119
Total liabilities and fund balances . . . . .	<u>\$ 4,119</u>	<u>\$ 4,119</u>

JANE G. KNIGHT, F.A.C.C. - CERTIFIED PUBLIC ACCOUNTANT



## TOWNSHIP OF WHITE LAKE, MICHIGAN

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECT FUNDS  
DECEMBER 31, 2004

	<u>Sewer Construction</u>	<u>Estola Paving</u>	<u>Total</u>
ASSETS			
Assessments receivable . . . . .	\$	\$ 4,528	\$ 4,528
Due from other funds . . . . .		28,102	28,102
Total assets . . . . .	<u>\$</u>	<u>\$ 32,630</u>	<u>\$ 32,630</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds . . . . .	\$	\$ 3,082	\$ 3,082
Total liabilities . . . . .	\$	\$ 3,082	\$ 3,082
Fund balances - unreserved . . . . .		29,548	29,548
Total liabilities and fund balances . . . . .	<u>\$</u>	<u>\$ 32,630</u>	<u>\$ 32,630</u>

JANE C. KNIGHT, F.A.C.C. - CERTIFIED PUBLIC ACCOUNTANT

## TOWNSHIP OF WHITE LAKE, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2004

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-Major Governmental Funds
Revenues:				
Federal sources . . . . .	\$ 185,420	\$	\$	\$ 185,420
Charges for services . . . . .	62,760	142,716		205,476
Fines and forfeitures . . . . .	5,304			5,304
Interest . . . . .	2,023	171	347	2,542
Other - assessments . . . . .			61,630	61,630
Total revenues . . . . .	\$ 255,507	\$ 142,887	\$ 61,977	\$ 460,372
Expenditures:				
Current:				
General government . . . . .	115,298		988	116,286
Public works . . . . .			32,429	32,429
Public safety . . . . .	20,248			20,248
Health and welfare . . . . .	9,272			9,272
Capital outlay . . . . .	40,572			40,572
Debt service:				
Principal payments . . . . .		125,000		125,000
Interest and fiscal charges . . . . .		17,988		17,988
Total expenditures . . . . .	\$ 185,390	\$ 142,988	\$ 33,417	\$ 361,794
Excess of revenues over (under) expenditures . . . . .	\$ 70,117	\$ (100)	\$ 28,560	\$ 98,577
Fund balance - January 1, 2004 . . . . .	166,837	4,219	988	172,044
Fund balance - December 31, 2004 . . . . .	\$ 236,954	\$ 4,119	\$ 29,548	\$ 270,621

JANZ &amp; KNIGHT, P.L.C. - CERTIFIED PUBLIC ACCOUNTANTS

## TOWNSHIP OF WHITE LAKE, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2004

	Drug Forfeiture	Community Development Block Grant	Sewer Maintenance	Total
Revenues:				
Federal sources . . . . .	\$ 20,279	\$ 165,142	\$	\$ 185,420
Charges for services . . . . .			62,760	62,760
Fines and forfeitures . . . . .	5,304			5,304
Interest . . . . .	685		1,338	2,023
Total revenues . . . . .	\$ 26,267	\$ 165,142	\$ 64,098	\$ 255,507
Expenditures:				
Current:				
General government . . . . .		115,298		115,298
Public safety . . . . .	20,248			20,248
Health and welfare . . . . .		9,272		9,272
Capital outlay . . . . .		40,572		40,572
Total expenditures . . . . .	\$ 20,248	\$ 165,142	\$	\$ 185,390
Excess of revenues over expenditures . . . . .	\$ 6,019	\$	\$ 64,098	\$ 70,117
Fund balance - January 1, 2004 . . . . .	66,292		100,545	166,837
Fund balance - December 31, 2004 . . . . .	\$ 72,311	\$	\$ 164,643	\$ 236,954

JANE C. KNIGHT, P.L.C., CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF WHITE LAKE, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
DEBT SERVICE FUNDS

For the Year Ended December 31, 2004

	Building Authority	Total
Revenues:		
Charges for services . . . . .	\$ 142,716	\$ 142,716
Interest . . . . .	171	171
Total revenues . . . . .	\$ 142,887	\$ 142,887
Expenditures:		
Debt service:		
Principal payments . . . . .	125,000	125,000
Interest and fiscal charges . . . . .	17,988	17,988
Total expenditures . . . . .	\$ 142,988	\$ 142,988
Excess of revenues over (under) expenditures . .	\$ (100)	\$ (100)
Fund balance - January 1, 2004 . . . . .	4,219	4,219
Fund balance - December 31, 2004 . . . . .	\$ 4,119	\$ 4,119

JANE E. KNIGHT, P.L.C. - CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF WHITE LAKE, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECT FUNDS

For the Year Ended December 31, 2004

	Sewer Construction	Estola Paving	Total
Revenues:			
Interest & penalties . . . . .	\$	\$ 347	\$ 347
Other - assessments . . . . .		61,630	61,630
Total revenues . . . . .	\$	\$ 61,977	\$ 61,977
Expenditures:			
Current:			
General government . . . . .	988		988
Public works . . . . .		32,429	32,429
Total expenditures . . . . .	\$ 988	\$ 32,429	\$ 33,417
Excess of revenues over (under) expenditures . . . . .	\$ (988)	\$ 29,548	\$ 28,560
Fund balance - January 1, 2004 . . . . .	988		988
Fund balance - December 31, 2004 . . . . .	\$	\$ 29,548	\$ 29,548

STATE OF MICHIGAN - CERTIFIED PUBLIC ACCOUNTANTS

# JANZ & KNIGHT, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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**50**  
YEARS  
1954-2004

## MEMBERS

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
MICHIGAN ASSOCIATION OF  
CERTIFIED PUBLIC ACCOUNTANTS

April 20, 2005

To The Members of the Board  
Township of White Lake  
White Lake, Michigan 48383

In planning and performing our audit of the financial statements of the Township of White Lake for the year ended December 31, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Township of White Lake's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

The adoption of the Michigan Uniform Local Budgeting Act (Act No. 621, Public Acts of 1978), has made it mandatory that balanced budgets be adopted and that those budgets be amended before expenditures exceed the budgeted amounts. We noted that the budget was amended during the fiscal year in an attempt to comply with the budget requirements. Despite the amendments, expenditures exceeded budgeted amounts in various activities. Listed below are the significant budget overruns:

<u>Fund</u>	<u>Activity</u>	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>	<u>Budget Variance</u>
General	Conservation services	\$ 60,000	\$ 87,809	\$ 27,809
Fire	Salaries	804,073	810,367	6,294
Fire	Social security	47,359	62,227	14,868
Fire	Pension	80,219	85,356	5,137
Fire	Vehicle maintenance	76,600	101,480	24,880
Fire	Training	15,000	21,224	6,224
Police	Salaries	2,019,190	2,077,127	57,937
Police	Social security	153,321	173,446	20,125
Police	Professional fees	72,500	127,798	55,298
Improvement Revolving	Operating transfer out	-	188,565	188,565
Special Assessment	Garbage	1,227,058	1,256,117	29,059
Special Assessment	Other	251,611	365,414	113,803
Drug Forfeiture	Supplies	-	20,248	20,248
CDBG	Senior services	21,265	49,844	28,579
CDBG	Public services	68,500	74,787	6,287

All funds should be reviewed, reconciled, and adjusted monthly to supporting detail (interfund balances, accounts receivable, etc). The reconciliation should be between the supporting detail and the general ledger produced by the Accounting System. Departments should coordinate their efforts to assist in the process. A date should be set (i.e. 10th of the following month) for the supporting documents to be submitted to the clerk's office. Closing out interfund balances should be completed monthly. Monthly reports that are not fully reconciled give opportunity to erroneous reports.

During the course of the audit it was determined that the Township was continuing to pay several employees who are on workers comp leave their full pay. In turn the employees are having their workers comp benefits paid directly to the Township. This policy does not appear to have been approved by the Township Board. We recommend that the Township Board review this policy to determine if it should be continued, modified, etc.

It was noted that the Township did not approve a 2004 budget for the Improvement Revolving Fund. A 2005 budget does not appear to have been approved as well. All Special Revenue Funds are required to have an approved budget. We recommend that a 2005 budget be prepared for the Improvement Revolving Fund. This budget should then be approved by the Township Board.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above are believed to be a material weakness.

This report is intended solely for the information and use of the Township of White Lake, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Janz & Knight, P.C.*

Certified Public Accountants